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Automotive News

December 23, 1985

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Christmas on the assembly line

Joe Wilssens

Yuletide spirit takes over in industry

Production has halted at the Fiero plant in Pontiac and a Christmas tree dominates the assemby line. All domestic auto plants closed for the holidays last Friday (Dec. 20). Fiero workers will have a longer holiday. The plant will be closed until Jan. 20 to prepare for the new Fiero GT and also for inventory adjustment.

A Christmas Fantasy

Or, Season's Grittings from Detroit, as before

'Twas the night before Christmas and all 'round the world,
All the competitive flags were unfurled.
In Europe, six makers were ranked neck and neck
And others were coming on fiercely, by heck.
New nations were starting to build their own cars
With their feet in the mud but their heads in the stars.

In Detroit itself, the year's No. 1 problem:
The Japanese makers and how we might hobble 'em.
When VRA died and the import tide gained,
It was all for our welfare, as Reagan explained.
The Japanese makers invaded with bricks—
Planned putting up factories way out in the sticks.

GM talked up Saturn and set off a race
By most of the states to find it a place.
In the end, it came down to a farm at Spring Hill;
In a right-to-work state, it just fit the bill.
The whole Saturn affair was a press agent's dream,
But when it appears, will it still have its steam?

The year was a year of big acquisitions
As auto firms vied to enhance their positions.
GM put up billions, got Hughes on its terms,
While Chrysler bought Gulfstream and two credit firms.
Ford got First Nationwide and New Holland, too,
The Big Three may sweat when the payments come due.

New-model debuts got screwed up at Ford,
And original dates were largely ignored.
The BOC debut left GM quite miffed;
There were not enough cars—some dealers got stiffed.
Some import showrooms ran close to clear dry
While supplemental stickers were rising sky-high.

Then Santa hit town, with a mid-engine sleigh,
His eight tiny reindeer couldn't make the CAFE.
Then I heard him mutter to mid-winter breezes,
"Daihatsu, Suzuki—I thought they were sneezes."
I saw him turn then with his fat little tummy
And head out of town, in the direction of NUMMI.
But I heard him exclaim as he faded from sight,
"Merry Christmas to all, may your New Year be bright."

—Robert M. Lienert

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Buick mulls wider export of 2-seater

By Michelle Krebs
Financial Editor

FLINT.—Buick may export not only its upcoming two-seater but also the manufacturing process to produce the car.

The yet-to-be-named car will be introduced in the U.S. as a 1987½ model with 25,000 units expected for the first year.

In an interview with Automotive News, Buick General Manager Donald Hackworth said that the manufacturing process for the two-seater is a "turnkey" operation. That means a system can be set up as a stand-alone operation and, once installed, can be run by the buyer of the system.

Code-named GM33 or Reatta, the car was designed by General Motors and will be produced at the Buick-Oldsmobile-Cadillac plant in Lansing.

GM went to London to figure out a way to manufacture the car.

The British firm, Hawtal-Whiting, worked on the engineering

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Japan's threat to end quotas is trial balloon

By Francis J. Gawronski
Tokyo Bureau Chief

TOKYO.—Although the president of Toyota advocated the lifting of the voluntary restraints on auto exports to the U.S., Japanese Government officials have been adamant in their declarations that no decision has been made to end the export quota.

The latest auto-quota controversy hit the fan when an unidentified official at the Ministry of International Trade and Industry (MITI) was quoted by some of the Japanese press as saying that voluntary restraints on auto exports, measures originally taken in 1981 to give the U.S. auto industry time to recover, will end in 1986 "unless there is some exceptional" justification.

When queried on the statement, MITI had no official comment, but later said no decision has been made.

Automotive News sources said the statement about ending the quotas was made by Keijiro Murata, head of MITI, during a briefing with the Japanese press.

A few days later, Japanese and U.S. officials also said Japan has not decided whether it will extend voluntary restraints on car shipments to the U.S. when the current ceiling on export expires next March.

Prime Minister Yasuhiro Nakasone told Howard Baker, former U.S. Senate majority leader, who was visiting Japan, that no decision has been reached yet on whether Japan will continue the restraints in the next fiscal year, which starts next April.

Nakasone made the comment after Baker expressed apprehension about the probable harmful effects on the bilateral economy if Japanese auto makers are permitted to export without quotas.

Masao Omichi, deputy director of MITI's Automobile Division, said he informed a diplomat from the U.S. Embassy here that "nothing has been decided. Japan is watching the situation. It is not the time to decide anything."

Another official of MITI's Automobile Division, Naoki Kuroda, also was quoted as denying that any decision has been made about the quota system.

"We are observing the situation," he said. "But there has been no review and no decision on the part of MITI."

Kuroda said that whatever initial remarks were made by MITI about the voluntary restraints only reflect the fact that the restraint program is scheduled to expire automatically on April 1.

"It is nothing more than that," he said.

A U.S. embassy spokesman was quoted as saying that the embassy had contacted officials at MITI and "they told us what their official position has always been—that no decision has been made yet."

The spokesman did not give further details, but he said that "no further discussions on the issue" were planned.

The only Japanese automotive executive who officially commented on the controversy was Shoichiro Toyoda, president of Toyota Motor Corp., and those

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1985 auto production is highest since 1979

Domestic auto production in 1985 is the highest in six years, according to preliminary figures.

The year's output of 8,182,084 is the best since 1979's 8,418,369. The 1984 total was 7,777,721.

The estimated 1985 truck production of 3,305,397 is the best since 1978's 3,676,747. Truck production totaled 3,146,356 in 1984.

Production details are on Page 31.

Counting cars: A task simplified

By Louise Kertesz
Detroit Reporter

In the 1970s, a plant in Lordstown, O., was making as many as 100 an hour. The most popular model this year is assembled at the rate of about 10,000 per week. During the U.S. industry's best years, the annual total climbed to almost 13 million.

Every week, people in public relations pass the figures on to the press: How many cars and trucks were made last week, how many are scheduled to be built this week.

Reporters and analysts crunch the numbers in calculators and PCs. The results are printed, sent over newswires, displayed on electronic signs along Detroit freeways and otherwise broadcast to the world.

In recent years, auto makers have seemed happy

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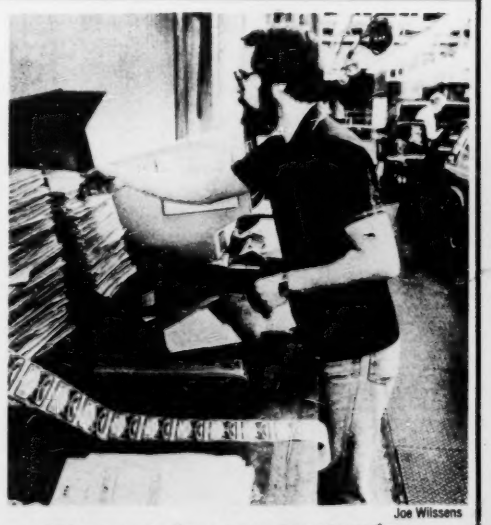

Joe Wilssens

Documents for computer scanning

Tally is highest in nearly three years

Import stockpile surges

By Kathleen Hamilton
Managing Editor

The stockpile of imported cars in the U.S. rose to the highest in nearly threeyears as December opened.

If that report sounds familiar, it is: It's nearly a repeat of the domestic-car summary for this month. Nearly. But in one vital respect, the imports' situation is a world apart from the domestics'.

Not since March, 1983, when 316,745 units represented a 41-day supply, had the import stockpile been so large.The imports' high inventory—304,079 cars—would last only 31 selling days at the rate they were going last month.

In sharp contrast, the domestics' unit count wasn't very much higher than the rest of this year, but their selling rate was so low that the units would last for 78 selling days—about three months. It was that 78-day supply that was the highest in more than three years.

Stocks were just dandy for import trucks this month, too. Both the unit count (103,138) and the days' supply (41) were the highest in 10 months. But 41 days is right there in the "ideal" supply range, generally considered to be 35 to 70 days' worth for importers.

The import-car count of 304,079 compared with a month-earlier total of 276,006 and a year-earlier figure of 232,152. The latest days-supply figure for cars (31 days) compared with 28 days on Nov. 1 and 27 days on Dec. 1, 1984. And it was well within the range where it has hovered all this year.

There was only a handful of import lines with big month-to-month changes: BMW's and Merkur's big jumps in days' supply were due almost solely to increased shipments; their daily selling rates remained stable. Mercedes-Benz cut its days-supply figure solely through increased sales; its unit inventory was steady. And the increase for Peugeot was due to a combination of lower sales and increased inventories.

Import-car inventories were split this way on Dec. 1: Japan, 63.59 percent; Germany, 26.06 percent, and other countries, 10.35 percent.

One month earlier, the shares were Japan, 65.25 percent; Germany, 23.87 percent, and other countries, 10.88 percent.

All inventory figures in this story refer to landed inventory: At ports, enroute to dealerships and at dealerships.

With the exception of Nissan truck figures—which include the Tennessee-built units—the figures do not include foreign-based makers' U.S.-built vehicles. The figures for the domestically built Hondas, Nissan Sentras, Volkswagens and Renaults are recorded separately (Automotive News, Dec. 16).

The latest truck count (103,138)

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Teamwork triumphs

Volkswagen, Pennsylvania and the UAW teamed together to make VW's plant in Westmoreland, Pa., a reality in 1978, and now the trio is celebrating the completion of the one-millionth VW built in the U.S. From left are Owen Bieber, UAW president; Donn Viola, VW Westmoreland plant manager, and Pennsylvania Gov. Richard Thornburgh.

Drug-abuse statistics for plants challenged

By Jake Kelderman
Washington Reporter

WASHINGTON.—Contrary to reports published elsewhere, there has been no U.S. Government study on the use of drugs and alcohol by U.S. auto workers.

Stories in at least two Detroit-based publications reported that at least 30 percent of those applying for jobs at auto plants are alcohol and drug abusers, that as many as 35 percent of workers use drugs or alcohol on the job and that such abuse is adding at least $175 to the price of the average American car.

Automotive News interviews with experts in workplace drug use and with auto and union executives paint an entirely different picture, however.

"There's no doubt we have a drug problem in this union but it is no more than reflective of this society at large," said Reg McGhee, of the UAW.

"Where these kinds of numbers come from is beyond me," he said, adding to the apparently erroneous stories.

The numbers were also challenged by Dr. Michael Walsh, chief of the National Institute of Health's Clinical and Behavoral Pharmacology Research Center in Washington. NIH allegedly developed the figures quoted.

"There really is no hard data at all on workplace drug and alcohol abuse," he said. "These percentages are not based on fact and have been around since the early '70s. They don't mean anything.

"We suspect that any abuse that might be occurring would be similar in pattern and scope to society at large, but that is only an educated guess," he said. "We're only just now thinking of funding a study on what is going on in the workplace.

Walsh recently testified on Capitol Hill that approximately 20 percent of the population abuses alcohol and drugs, but he admits that the definition of "abuse" is a slippery one. Abuse can be a one-time thing or it can be a constant, he said.

Those rates were derived from the limited pre-employment drug screening that has been done.

Walsh cautioned that such screening only "indicates something was used at some time past, and no inference of impaired performance can be drawn from such test results."

Indeed, the test itself is a controversial one; many experts say it is inaccurate.

No U.S. auto maker even performs pre-employment drug screening.

"We just don't keep those kinds of statistics and don't know where they ginned up numbers like that," a General Motors spokesman said. "One in three is just not the way it is."

A Ford Motor Co. spokesman said his company keeps no figures on alleged drug abuse and suggested that a figure as high as $175 per vehicle is "way out of line."

"Our total health-care cost per vehicle is about $275," he said. "Even if we accept the abuse numbers being bandied around—which we don't—that would still only bring the cost to about $85, and we think that number is way out of line."

Service Index charts a good year for shops

Service and parts business at new-car dealerships in October was up over the same month a year ago, and business for the year is running well ahead of the 1984 pace.

According to the Automotive News Service Index, shop business at dealerships in October amounted to 106.5 percent of the volume recorded in the same month in 1984.

The rate of growth is down from that of the previous month. In September, shop volume was up 10.4 percent over last year.

For the first 10 months of 1985, service and parts volume showed a jump of 8.3 percent over the like period a year ago.

Most indicators in October showed strong gains over the previous year. Repair orders written, the biggest gainer, were up 12.9 percent over the 1984 month.

Total labor sales, customer-paid and warranty, were up 10.4 percent over a year ago. Gross profit on all labor and parts and accessories sales during the month registered a gain of 6.8 percent. Sales of all parts and accessories were ahead 1.9 percent, and October sales of shop parts—customer and warranty—were up 0.3 percent.

Through October, the top gainer for 1985 was total labor sales, which were 11.2 percent higher than in 1984. The number of repair orders written in the first 10 months was up 9.3 percent, and gross profit on all labor, parts and accessory sales in the January-Oc-

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KIAZ to become first minitrucks in Soviet Union

MOSCOW—Work crews have started construction of an assembly plant near Kirovabad in Soviet Azerbaijan.

The plant, to be completed in 1990, will build KIAZ—the first Soviet minitrucks.

The basic KIAZ is a diesel van with a 1.5-ton capacity.

Designed mainly for urban and short-distance transportation of consumer goods and food products, KIAZ trucks reportedly get 20 MPG.

Other versions of the KIAZ truck will be modified into small service vehicles and minibuses for 14 to 18 passengers.

The only auto maker to back President Reagan

GM on 'right side' in tax reform

By Geoff Sundstrom
Washington Reporter

WASHINGTON.—While accolades are going to President Reagan for his rescue of House tax-reform legislation, the bill's passage is also cause for considerable congratulations within the ranks of General Motors.

GM took on most of industrial America—including Ford Motor Co. and Chrysler Corp.—by backing the President's tax-reform initiative.

GM Chairman Roger Smith came out early in favor of tax reform. Even when the House bill moved away from provisions deemed essential to GM's North American car production, the company still expressed optimism and said the legislative process should continue.

While most analysts agree that even the President's tax-reform proposal would almost certainly have immediate negative effects for some manufacturers, Smith stuck to his assertion that a simpler and fairer tax code will produce a far more efficient and dynamic economy.

It is better to base investment decisions on productivity rather than on tax avoidance, he said.

After the reform bill passed last week—by an unusual voice vote in the House—a GM spokesman said, "We are certainly encouraged by the House of Representatives' approval of tax reform . . . While the House bill is not perfect, it is an improvement over current tax law and further improvements should be made in the Senate."

Ford actively opposed the House tax-reform measure and Chrysler, while keeping quiet on its lobbying efforts, was nevertheless clearly understood to be against the Democrats' bill, according to congressional staffers.

The UAW and most other industrial unions supported the reform legislation.

Once the bill had cleared the House, Ford issued a statement saying, "Basically, we have been supportive of tax simplification and reform, but we continue to have serious problems with the legislation."

The company said, "The proposed elimination of the investment tax credit and reduction in depreciation, for example, will have an adverse effect on capital formation (and) the creation of new jobs in the industrial sector, and thus worsen our nation's already deteriorating position in the international trade arena. Although tax reform may not be the answer to our severe trade imbalance, it should not worsen that situation."

Elaborating on that statement, a Ford spokesman said the bill passed by the House would have "a negative long-term impact on investment."

He added that "looking backward, it is questionable whether we could have done Taurus and Sable" given conditions similar to those in the tax-reform measure.

As for GM's successful support of the bill, the Ford spokesman said that GM was also unhappy with much of the House bill but "had painted itself into a corner" by supporting the President's tax-reform initiative early on.

Senate leaders promised fast action on the tax-reform front when they return after the holidays. Senate Finance Committee Chairman Bob Packwood, Oregon Re-

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VW Group leads European sales as year closes

LONDON.—It seems practically certain that the Volkswagen Group will emerge as Europe's leading auto retailer in 1985. Unofficial estimates for 11 months give it sales of 1.29 million for a market share of 12.9 percent.

The rest of the year-end finishing order looks like it will stay as it has been most of this year. At the end of November the estimate was: Fiat Auto, 12.3 percent (1.23 million); Ford, 11.8 percent (1.18 million); General Motors' Opel-Vauxhall and the Peugeot-Citroen group, 11.4 percent (around 1.13 million), and Renault, 10.6 percent (1.06 million).

The combined Japanese companies were at a record 10.9 percent, with sales of more than 1.08 million.

Demand in Western Europe was up around 4.1 percent to 9.99 million for 11 months, which means annual volume could be as much as 10.6 million. However, the returns are strictly provisional, and a clearer picture will not emerge until late January.

If the above results are confirmed, it will represent share increases for VW-Audi, GM and the Japanese. Peugeot will have maintained its 1984 share, but Ford, Fiat and Renault will have lost.

The latest forecast by DRI Europe predicts that VW will maintain European market leadership in 1986 as well. That will be due to a strong upturn in West Germany, where the company is the clear market leader.

—RICHARD FEAST

Cadillac retailer seeks to buy 51 pct.

Rescue of Excalibur may come from dealer

By Richard Johnson
Detroit Reporter

Excalibur Automobile Corp. may be rescued by one of its dealers.

Excalibur is the financially strapped Milwaukee-area neoclassic maker that is seeking protection from creditors in bankruptcy court.

R.V. Robinson, a Cadillac dealer in Atlanta since 1974, is working on a deal to buy 51 percent of Excalibur, which is petitioning for reorganization under Chapter 11 of federal bankruptcy laws.

Robinson said last week he is "confident" that arrangements can be worked out with the current owners, but he declined to discuss details of the proposal. He said there has been no agreement on purchase price and other key terms of the acquisition.

"I'm trying to put together a package so we could do this," said Robinson, who was scheduled to continue negotiations with company officials at a meeting late last week.

According to William C. Stevens, Excalibur executive vice president and co-owner with his brother, David, company president, the deal would allow the Stevens brothers to retain the remainder of the company and continue to run the business.

Excalibur has maintained operations since petitioning for reorganization in late October. Court papers filed by the firm show liabilities of about $4.4 million and assets totaling approximately $6.5 million, including property, machines, equipment, supplies and inventory.

In seeking protection under Chapter 11, the company cited cash-flow problems. Company officials have blamed difficulties on

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Effort to outlaw CAFE 'double-dip' dies in Senate

WASHINGTON.—When Congress adjourned, a Senate move died that would have stopped auto makers from corraling CAFE carryforward/carryback credits from a NHTSA-lowered standard.

The attempt by Senator Daniel J. Evans, Washington Republican, to disallow the "double-dip" would have hurt General Motors (with some $500 million liability for the 1984 and 1985 model years) and Ford Motor Co. (with some $55 million liability for 1985 models and as much as $20 million for 1986 models)—as well as the European luxury car makers.

Although the makers would have benefited from the 26 MPG CAFE requirement for 1986 models (lowered from 27.5 MPG), they would not have been able to generate credits they could carry backward or forward.

The amendment had been hung on to the Senate money bill for the Transportation Department, which opposed the idea.

The Evans amendment was supported by Chrysler, a company as surprised by the unexpected move as were GM and Ford. However, the Evans move died because of Congress' delay and procedures—not because of opposition from companies or even lawmakers.

Cunningham recovering from heart attack

DETROIT.—Alexander A. Cunningham, the General Motors executive vice president who directs the company's North American car and worldwide truck and bus operations, is recovering at home after suffering a mild heart attack.

Cunningham, 59, has headed North American Automotive Operations since January, 1984. Last August, GM's Truck and Bus Operations were added to his responsibilities.

Joe Wilsamis

AMC leaders look ahead

Jose Dedeurwaerder, right, American Motors president and chief executive, expects the company's "erratic" performance to continue in 1986, but he looks for brighter days in 1987 when new products arrive. At left is Joseph E. Cappy, executive vice president and newly appointed chief operating officer.

AMC studying import of price-leader auto

By Richard Johnson
Detroit Reporter

American Motors is "looking at" importing a small, price-leader car to the U.S., possibly from an Asian source, according to Peter Guptill, American Motors' new vice president—North American sales and marketing.

In an interview with Automotive News last week, Guptill said that while the U.S. small-car market is a highly competitive segment under attack from numerous low-cost sources around the world, it represents large volume and is an important link to entry-level customers.

Guptill also said the Alpine sports car from Renault probably won't be introduced until late summer 1987, several months after the high-performance specialty model had been expected to arrive. He deemed prospects for importing the Matra-built Renault minivan to be remote.

Guptill predicted that incentives will continue to play an important role in the subcompact market in 1986. He said there is a "high probability" of some followup to AMC's current cash rebate on Alliance/Encore, which is due to expire Jan. 10.

Calling AMC "the Marines of the industry," he said the company will tough it out in 1986, when the firm must persevere without additions to its passenger-car lineup.

Rumors of an AMC linkup with an Asian auto maker for the purpose of importing a low-cost small car have been rife in recent weeks. AMC dealers are said to be interested in a model to combat a bevy of low-cost minicars destined for the U.S. from such low-cost sources as Korea, Taiwan, Brazil and Yugoslavia.

Guptill said last week that he would also like something to go up against the minicar entries in the new market.

"That's a tough end of the market, but it's a volume end," he said. "You need those kinds of entry-level cars to establish a relationship with your customers.

"It's so difficult to make any money on those cars," he said. "But we're looking at some way to bring those vehicles in and do it at a profit."

Asked whether such cars would come from an Asian source, Guptill said "it doesn't take a rocket scientist" to understand that Asian countries, with their low-cost labor base, are potential sources for such vehicles.

Conceivably, a new AMC small-car entry could get lost in the shuffle of new Renault vehicles being primed for the U.S. market in 1987. They include a new intermediate to be built in Bramalea, Ont., the R-21 compact due from France and the low-volume Alpine.

Asked where a small car would fall in, Guptill said there is always a danger of "introducing too much, too soon."

"If another product were added

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Penske buys Longo, top Toyota deal

By Matt DeLorenzo
Los Angeles Reporter

LOS ANGELES.—Toyota's top retail outlet, Longo Toyota in El Monte, has been acquired by Roger Penske. Terms of the purchase were not disclosed.

Penske, who heads three Cadillac dealerships in California in addition to his racing and truck-leasing interests, said he bought the Toyota operation because "this fits nicely into our retail automotive business."

Dominic Longo, the owner of the dealership, died Oct. 10. He formed the company in 1967 and built it into one of the largest single-point dealerships in the U.S. In 1984, Longo retailed 15,605 new vehicles.

Penske said the Longo name will be retained as will most of the management. "You don't want to ruin a good thing," Penske said.

This is Penske's first Japanese import dealership and his first import store in recent years. Penske held an interest in a Porsche-Audi outlet in Allentown, Pa., some years ago.

Not much is expected to change in the way the cars are sold at Longo, Penske said.

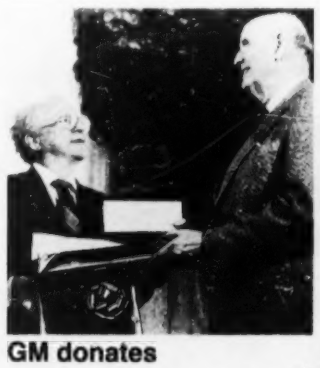
Dominic Longo prided himself in the open way he conducted his business. Instead of closing rooms and cars on the showroom floor, Longo's sales force operated from desks on the open showroom floor and sold cars at sticker with no additional dealer markup. Penske said his Downey Cadillac franchise is operated the same way.

"We're excited about it," Penske said of the acquisition. He added that he plans to expand parts and service and will offer innovative finance and leasing programs.

Penske said he sees doubling the size of the parts department and establishing what he calls a Toyota Automotive Parts Center at the dealership.

While not disclosing the price paid for the dealership, Penske said "we were very happy with the purchase price, it was very fair."

Asked about speculation that the store was on the market for $18 million, he said, "We don't disclose the financial arrangements, so any number you hear is wrong."



GM donates

General Motors Chairman Roger Smith, left, presents a check representing the first installment of GM's $1 million pledge to the Kennedy Center's National Performing Arts Fund to Roger Stevens, Kenedy Center chairman. The center is embarking on its first major fund-raising drive since the 1960s, when funds were raised for its construction.

Union charges unfair practices; company calls it phoney

UAW vote at Honda is delayed

By Mary Connelly
Detroit Reporter

A vote on UAW representation at Honda of America Mfg. Co. plants has been delayed "indefinitely" following union charges that the company engaged in unfair labor practices.

A vote by more than 2,500 Honda employes at three plants had been scheduled for Thursday, Dec. 19.

Honda has automobile and motorcycle assembly plants in Marysville, O., and a motorcycle engine plant in nearby Anna. The Marysville plant produces the Honda Accord and will begin producing the Civic in 1986.

Honda claimed the UAW "manufactured" the charges because it lacked the votes needed to win the election.

The UAW filed charges with the National Labor Relations Board in Cleveland, claiming that Honda had illegally questioned employes about union preferences, illegally increased benefits with an election pending and supported an "employer-dominated labor organization" opposed to the representation.

The rescheduling of the vote depends on the NLRB investigation. If the case is dismissed due to insufficient evidence, a vote could be scheduled within months, the company said. However, the delay may reach a year if evidence determines the need for a full hearing before an administrative law judge.

"I look forward to the day there can be an election at Honda in a truly neutral and legal atmosphere," said Joseph Tomasi, director of UAW Region 2B in Toledo.

Honda claimed that company actions in October, which are the basis of two of the charges, were not criticized by the UAW on Nov. 8 when it agreed to the December vote.

"Both of these charges concern events which took place before UAW international representative Hugh Smith and Honda signed a consent agreement setting the election for Dec. 19," said Shige Yoshida, Honda of America executive vice president. "We can only conclude that the UAW has taken this step because it knew it didn't have the votes to win."

The UAW charged that on Oct. 29, Honda attempted to "chill" UAW activity by "interogating" employes about the union.

The company said a poll was taken following receipt of the union's request for recognition to determine if employes wanted Honda to automatically accept the UAW as a bargaining agent or schedule an election.

The UAW also charged that on

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60th year—No. 5106

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Distributors cite threat of OE dealers

PROVIDENCE.—OE dealer competition is the biggest challenge facing heavy-duty distributors, according to a survey by the Allied Aftermarket Division of Allied Automotive.

Most distributors describe 1985 as a "stable" year.

Allied supplies Fram, Autolite and Bendix Brake products to the heavy-duty market. It queried 400 members of the Automotive Service Industry Assn.—Heavy-Duty Division and the Council of Fleet Specialists, regarding profits, customers, suppliers and product lines.

All of those surveyed held influential positions in their firms.

Some 10 percent called business poor; 11 percent called it superlative. About 22 percent considered the market stable/mature and 57 percent characterized it with "a steady stream of orders."

Distributors attributed the lack of growth to too many heavy-duty distributors, stiffer price competition, heavy-duty chains and multi-store locations and offshore suppliers.

However, they viewed OE parts dealers as their biggest threat, pointing to dealers' sales of parts at close margins, their brand awareness and marketing budgets.

More than 47 percent of the distributors said "obtaining better support from suppliers, such as discounts, terms, technical information and training" was their best bet for increasing profits.

Other potential profit boosters include broadening their customer base and using more-aggressive sales approaches.

Distributors generally sought "competitive pricing/frequent and simple programs" in a supplier.

Many chose quality products over price, while technical support and training were rated third most important.

Distributors felt customers looked first for good prices, though product quality and recognizable brand names were often considered more important than price.

Most distributors also felt they could still make a profit by controlling overhead, finding new markets, honing sales techniques and choosing the right suppliers.

Panoramic view

Cars & Concepts, Brighton, Mich., is offering the S/T-10 Chevrolet ship-through program, giving dealers a Skylite Electric Sunroof and Teak Woody Package. It has also teamed with Delco Electronics to offer an upgraded sound system that is available with the Skylite and/or Woody package.

November truck sales continue record string

By Joseph Bohn
Truck Editor

New-truck sales boomed in November, continuing the unbroken string of monthly records that began last January.

The light-duty segment shows no signs of a letup, though sales of mediums and heavies are definitely softening.

Overall, the industry retailed 358,494 trucks in November, topping last year's previous monthly record of 338,715 by 5.8 percent.

Light-duty sales set a November record with 338,727, up 7.1 percent from last year's previous high of 316,333, according to manufacturers' reports.

Most companies had solid increases, though Chrysler, GMC and Nissan were off for the month.

The Chrysler and Nissan declines were due largely to product shortages, and GMC's decline was due mainly to softer demand for its full-sized pickups.

Chrysler sales dropped to 37,097 from 43,372 a year earlier. Nissan dropped to 13,749 from 17,211 a year ago. GMC's 22,681 light duty sales were slightly below 22,892 last year.

GMC retailed 24,901 trucks in the month, off from 26,115 in like 1984.

The new Comanche boosted Jeep sales, propelling its total above 20,000 for the first time in any month.

Jeep retailed 22,834 trucks in November, up 53.6 percent from 14,870 a year ago.

Ford, aided by strengthening availability of Aerostar, recaptured the top spot from Chevrolet for the month, though Chevy still holds a commanding year-to-date lead.

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New chairman for Mack has plant strategy

ALLENTOWN, Pa.—John B. Curcio, president and chief executive officer of Mack Trucks, has been elected chairman of the board.

He succeeded Alfred W. Pelletier who retired as chairman Dec. 11, after 35 years with the firm.

Curcio became president in 1980, and chief executive officer in 1983.

Mack will locate its new assembly plant outside Pennsylvania unless, prior to Jan. 17, it and the UAW can agree on cost reductions equal to those Mack could get outstate.

Curcio recommended one final try be made to keep the new plant in the Lehigh Valley area. Other issues such as environmental problems also must be resolved.

In other appointments at Mack, J. Anthony Donaldson, assistant general counsel since 1977, was elected vice president, general counsel and corporate secretary, succeeding Donald S. Bowie Jr., who retired after 30 years' service.

Walter C. Meck was named executive vice president and chief financial officer, replacing Guy D. Coffelt who is taking early retirement, effective Dec. 31.

Fred J. Kerber, executive vice president—manufacturing since 1979, was elected to the new position of senior executive vice president—resource management.

John J. Costa, general manager of the Hagerstown (Md.) powertrain operations since July, 1980, was elected vice president—manufacturing.

He assumes full responsibility for day-to-day operation of all Mack's manufacturing activities.

Century club qualifiers

Chevrolet recognized several dealers in its Charleston (W.Va.) zone for selling more than 100 trucks in one month. Dealers and officials at a special ceremony included, from left, Brent Galyean, Tag Galyean Chevrolet, Charleston, W.Va.; Ed Schoener, sales promotion manager, Charleston zone; Jim Love, C & O Motors, St. Albans, W.Va.; David Walsh, zone manager, and Matt Miller, Dutch Miller Chevrolet, Huntington, W.Va.

truck industry news

VW and PACCAR detail program for Class 6-7 venture

By Joseph Bohn
Truck Editor

PACCAR, Inc., Bellevue, Wash., and Volkswagen do Brasil officially announced the signing of a distribution agreement which will give PACCAR Class 6 and 7 trucks to sell in the North American market for the first time.

(Automotive News first reported the deal Nov. 4.)

William Gross, executive vice president of PACCAR, said a 29,500-pound GVW Class 7 truck will begin offered through Peterbilt and Kenworth dealers in October or November, 1986. A Class 6 truck will be offered about one year later.

And, in the third phase, a Class 7 tractor will be made available.

Gross said the cautious timetable was adopted to allow PACCAR to maintain its strong quality image.

Both Kenworth and Peterbilt dealers will receive identical models, and they'll be priced identically, Gross said.

The company is planning a separate franchise agreement for dealers interested in the new vehicles and doesn't know yet in what volumes it will import the vehicles.

That will depend on dealer interest, as well as the marketplace.

However, PACCAR's long-term goal is to get a 5 to 10 percent share of the North American market, Gross added.

The company doesn't have overall projections for Class 6 and 7 demand, but it expects demand to continue strong. Class 8, by contrast, is expected to decline, beginning this year, according to various industry forecasts.

PACCAR also expects to add more VW Brazilian-built models to its lineup in future years. It has an exclusive distribution agreement to sell Brazilian VW trucks in the U.S.

Its trucks will be priced in the premium ends of the market, Gross said. They will be sold on a value-for-the money basis, rather than a low-price, entry-level basis, he added.

The vehicles, although manufactured by Volkswagen do Brasil, will combine VW's truck technology with premium U.S.-designed powertrain components.

The trucks will be spec'ed out by PACCAR for the North American market. Thus they will not be a strict VW product in the way some imported medium duties are.

For example, the Class 7 truck being brought in first will feature a Cummins 6CT8 engine delivering 210 HP at 2,200 RPM; a Fuller 5106 6-speed transmission; a Rockwell/Braseixos RS20-145, 20,000-pound rear axle; Goodyear G124 or G186 11R22.5 14 ply tires and 7.5x22.5 steel-disk wheels; a single rectangular steel fuel tank with 40 or 80 gallon-capacity, and dark-gray frame, bumper and wheel arches. The body will be available in four colors.

Gross added that a 5-speed

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Perkins reaches diesel milestone with 10 million

WAYNE, Mich.—Perkins Engines, Inc., built its 10-millionth diesel engine recently, becoming the first diesel manufacturer to reach that milestone, according to P.G. Barger, vice president of OEM sales.

The Wayne-based supplier of diesel engines to North America is part of the Perkins Engines Worldwide Group, Peterborough, England.

The 10-millionth engine was built in Peterborough.

Perkins has also presented top distributor awards to Southeast Diesel Corp., Miami, for U.S. sales and Concord Diesel, Ltd., Mississauga, Ont., for Canadian sales.

truck personnel

Toyota names Limon to fleet, truck post

John J. Limon has been named field fleet manager in the fleet and truck department at Toyota Motor Sales, U.S.A.

Limon replaces **Larry Boland**, who was appointed purchasing and contracts administration manager at Toyota. Limon reports to **Donald V. Esmond**, national fleet and truck manager.

John J. Limon

Vixen names Hollis to engineering post

Vixen Motor Co., Pontiac, has named **Lyn C. Hollis** vice president—engineering.

Hollis handles all engineering, testing and development of body, chassis and interior systems for the Vixen 21 motor home.

For the last five years, he has been a design manager at Michelin Tire Corp. in South Carolina.

Lyn C. Hollis

Iveco names Wottring to top fleet position

Iveco Trucks has named **Paul Wottring** senior director of national fleet sales. Wottring, with Iveco since 1982, previouly worked for Fiat in the U.S. and for General Motors.

George Radenkovich was named senior director of parts for Iveco. He joined the firm from Fiat.

service management

Saab parts begin trip to U.S.

A shipment of replacement parts leaves the Saab Car Division's central parts warehouse in Sweden on the first leg of a journey by air to distribution points in the U.S. Saab says it will increase airfreight of parts to the U.S. in 1986 to 80 percent of total volume, compared with the current 53 percent.

AAA diagnostic center a hit in Massachusetts

ROCKLAND, Mass.—American Automobile Assn. Massachusetts reported that members and the public are "flocking" to its Auto Diagnostic Center, which opened earlier this year in Rockland, about 20 miles south of Boston.

More than 1,000 owners have had their vehicles checked at the center, the first AAA-owned facility in the nation to conduct diagnostic analyses, according to Stewart W. Hall, director of automotive services for AAA Massachusetts.

He said no repair work is done at the center. Customers have needed repairs made at a facility of their choice, he added, although they are advised of AAA's nationwide network of Approved Auto Repair dealerships and garages.

The decision to establish an Auto Diagnostic Center resulted from a "careful evaluation" of the automotive service industry, Hall explained.

"With the increasing prominence of self-service gas stations, the car owner has more responsibility than ever," he said. "We can now help meet that responsibility."

Also, Hall noted, the center often provides prospective used-car buyers with an opinion of the vehicle's condition, or it can detect previous repairs that were done improperly.

"Auto travelers also enjoy the peace of mind of a complete diag-

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Goal is improved quality, profits in U.S. dealerships

Volvo, Saab boost shop support

By Jack Walsh
Service Editor

MALMO, Sweden.—Sweden's two industrial giants, Volvo and Saab-Scania, are taking steps to improve the quality and profitability of service in U.S. dealerships handling their automotive products.

Volvo is planning a pilot collision-repair shop at the Rockleigh (N.J.) headquarters of its U.S. subsidiary, Volvo of America Corp., hopefully within a year, according to Hans Gustavsson, service director, Volvo Car Corp. Sales & Marketing Division, in Gothenberg, Sweden.

Objectives of the pilot operation, he said, are to establish another profit center for Volvo dealers who now farm out collision work, and to develop a training program for dealership personnel in use of state-of-the-art equipment and repair techniques.

"Collision repair is a profitable business and our North American dealers should be getting their share," sadi Gustavsson. "Also, the quality of body work done on Volvo cars would be improved with dealer technicians using repair techniques and shop equipment evaluated by Volvo in the pilot program."

The Saab Car Division has no plans for such a program for its dealers in North America, most of whom also send damaged cars to outside collision shops, but it is stepping up air shipment of replacement parts to speed up dealers' service work and improve customer satisfaction.

Currently, about 53 percent of Saab parts shipped to the U.S. are moved by airfreight, according to Bo Bjorkman, the division's parts general manager. In 1986, he said, airfreight shipments will be increased to 80 percent.

Saab parts and accessories are shipped to worldwide distribution points from the division's 570,000-square-foot, fully automated high-storage central warehouse in Nykoping, about 100 miles south of Stockholm. About 33,000 different parts and accessories are warehoused in the facility.

"Our deliveries to the U.S. go to three import warehouses—in New York, Chicago and Los Angeles—which handle distribution to our dealers in the U.S. and Canada," Bjorkman said.

Order handling, he noted, reflects varying degrees of urgency: VOR, supplementary and stock orders. The importer or dealer determine the degree of urgency when the order is placed.

"VOR orders are shipped from Sweden the same day if the order is received before 2 p.m.," he ex-

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Sweden's top insurer is big in service, too

VAXJO, Sweden.—The biggest insurer of motor vehicles in Sweden, the Folksam Group, also plays an important role in the research, development and evaluation of service equipment and repair techniques.

The company, which has approximately one million clients, established Folksam Auto AB, a subsidiary specializing in automotive service and collision repair, in 1964 at a time when repairs costs and insurance premiums were soaring.

Klas Back, president, Folksam Insurance Co., recalled that "many repair shops then reacted angrily. They refused to consider it reasonable that we wanted to have an insight into the trade, to the very existence of which we at that time contributed millions. They were even less inclined to realize that it was our duty as an insurance company owned by its policyholders to acquire this insight."

Today, however, the majority of Sweden's repair shops regard Folksam activities in a different light, Back noted.

"They know that it is not our intention to impoverish car-repair shops or reduce the income of their employes," he explained. "Many working methods and items of equipment that saw the light of day in Vaxjo are now standard in many repair shops. They make for more efficiency, higher quality, better job satisfaction and lower staff turnover."

While Folksam Auto has provided the parent company with a good return on its investment, Back emphasized that money isn't "of the most importance here. What is important is the knowledge of the car and the car-repair trade, of the importance of the working environment to shop personnel and of the reasons for accidents that hurt people and damage vehicles."

This knowledge, he added, eventually benefits policyholders in the form of improved insurance coverage and a higher degree of safety in their cars—and outside them—at the lowest possible cost.

Folksam Auto's current shop, opened in 1979, was "built around the workmen," according to Kurt Johansson, president. "They represented a fund of knowledge, experience and skill that was quite unique. They knew how to do the job, what was important for good results, where improvements were needed, and what was possible."

He noted that service shops—especially those for repairing damage—traditionally have been "tucked away out of sight in murky surroundings. We endeavored to reverse this state of affairs and put people first and foremost."

Johansson said Folksam Auto employs the newest equipment, tools and ideas to increase repair quality, and works with manufacturers in the development and evaluation of their products.

The shop is laid out in the shape of an E, with the "stem" containing all supply facilities: Departments for preparing the car—washing, inspection and evaluation, planning repairs and parts storage. In the "arms" are shops

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Foreign markets vital to automotive firms

Swedes eye U.S. for sales gains

By Jack Walsh
Service Editor

MALMO, Sweden.—Sweden's population of only about eight million inhabitants forces many companies to pursue outside markets to assure survival.

The U.S. is a major market, second in many instances only to Europe, and a number of Swedish automotive parts and equipment manufacturers are looking to the U.S. to expand export business.

For example, AB Ph. Nederman & Co. exports 80 percent of its line of products designed to reduce health and safety hazards in the workplace, according to Nils-Axel Nyberg, marketing vice president.

He said Nederman entered the U.S. market about five years ago and that sales "have grown dramatically each year. And we see a great potential for expansion in the future in both the U.S. and Canada."

AB Samefa, which manufactures and distributes the Car-O-Liner bench system for unit-body collision repairs worldwide, exports about 88 percent of its production, according to Leif Chressman, marketing manager.

"Sales of Car-O-Liner equipment in the U.S. have grown substantially every year since the system was introduced there in 1979," he noted. "About 40 percent of the 1,400 units produced annually are shipped to the U.S. We are the leader in unit-body bench sales there, accounting for about 33 percent of the market."

Drester AB, headquartered near Malmo, also exports about 80 percent of its collision-repair equipment, mainly to Europe, the Middle East, South Africa and Australia. Its products were introduced on the West Coast of the U.S. recently, and Sten Drennow, managing director, said Drester is planning to widen its distribution to other areas of the U.S. in the next year.

Nederman's Nyberg said his firm's products include all types of emissions-control equipment to provide "free, pure breathing zones" in auto-repair shops, overhead lines for hoses, cables and tools that result in safer and un-

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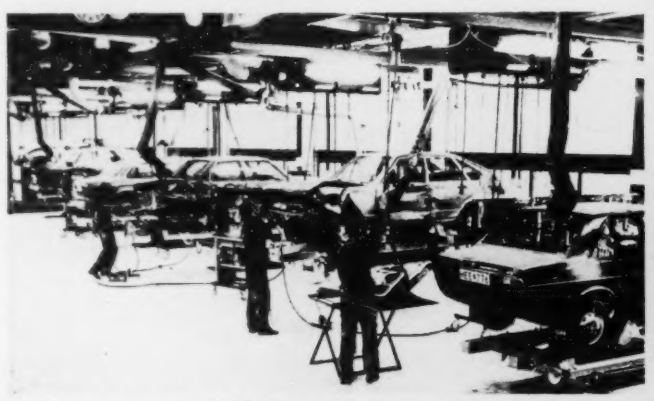
Extracting fumes the uncluttered way

An overhead exhaust-extraction system by AB Ph Nederman & Co. of Sweden keeps hoses off the floor, preventing risk of accidents, and reduces wear and damage to them. An overhead system also is easily moved as shop requirements change, the company said.



Vehicles repaired in ultra-modern shop

Workmen in the ultra-modern shop operated by Folksam Auto AB in Sweden use state-of-the-art equipment and tools, as well as innovative repair methods, to fix damaged vehicles.

Goal is improved quality, profits in U.S. dealerships

Volvo, Saab boost shop support

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plained. "Otherwise they go the following morning. Supplementary orders move within 48 hours and stock orders within five working days."

Bjorkman said Saab is working continuously to achieve "perfect performance" in shipment scheduling and lead times.

In the future, he added, "the time required in the distribution links between manufacturer and dealer will be shortened by using fewer intermediate warehouses and speeding the flow of goods.

"Transfer loading and unloading time will be cut or eliminated, customs clearance will occur in connection with reception of a shipment, transport times will be reduced and more shipments will be made directly from the central warehouse to dealers."

Also, Bjorkman said, Saab will have fewer parts and accessories suppliers, but its relations will be closer in terms of controlling the scheduling, frequency and speed of shipments.

"The distribution systems of tomorrow will have to be better adapted to market requirements, and will demand more frequent shipments, improved scheduling and shorter lead times," he explained.

"All this will be possible through the information systems that are gradually being expanded, and that—within the next 10 years—will be worldwide in scope and an integral part of world trade."

Bjorkman said the development of airfreight and information systems will make it possible to move both parts and information from the central warehouse to dealers with "very short" lead times.

"This will reduce the amount of capital tied up in the business and will improve the service to customers," he added.

Both Volvo and Saab are placing increasing emphasis on service training at all levels to keep their customers happy.

Volvo's Gustavsson noted that today's more complicated vehicles "mean that the service technician will have to operate more like an engineer than a mechanic only."

Volvo operates 10 service-training centers in the U.S. and three in the U.S., he said, and has about 110 factory service representatives in the North American market.

Of the 1,900 service technicians in the approximately 405 U.S. dealerships and 85 in Canada, Gustavsson noted, 1,600 are certified in VISTA (Volvo International Service Training Assn.), an elite group open to the most qualified technicians in dealer shops.

Arne Hoglund, Saab service general manager, said good car-repair work requires more than repair manuals and tools. "Whoever does the work must also have the knowledge and motivation to do it right, right from the beginning," he added. "Such knowledge is obtained through education and hands-on training."

For several years, Hoglund said, the company has been conducting the Saab Master Technician program, whose goal is to "assure the technical know-how of our dealers, and increase the mechanics' sense of responsibility to the customer, the dealership and Saab.

This goal, he added, is achieved by increasing the mechanics' interest in training, giving the right mechanics the right training, strengthening their loyalties to the dealerships and Saab and providing recognition for the mechanics.

To offset some owner-dealer contact lost because of longer maintenance intervals, Hoglund said, Saab has established what it calls Long-Term Usage followup. Here's how it works:

After a buyer signs an order for a new car, he or she is asked whether they'd like to participate in the project. Those who do receive a contract which commits them to keep a journal describing their experiences with the car, and to report regularly to the factory.

The Saab owner also agrees that all maintenance and repairs are to be done at authorized Saab workshops, which submit to the factory reports on the work done on the LU cars.

"Results from the LU program, together with warranty statistics and other technical followups, provide the basis for the specification requirements we present to our technical development department," Hoglund said. "LU data also gives us a very good picture of what Saab car ownership actually costs the consumer."

As an incentive to get owners to participate, he said, Saab offers a 40 percent discount on labor costs and parts used in the repair and maintenance of the vehicles during the three-year followup period.

Award for Trader Bud

Bud (Trader Bud) Hatfield, right, Trader Bud's Westside Dodge, Columbus, O., receives an award as the No. 1 volume dealer in the zone for calendar 1984 from Dave Krumboltz, Chrysler Corp.'s Cinncinnati zone manager.

MAJOR MANUFACTURERS BY SEGMENT

	November		Year-to-Date	
	1985	1984	1985	1984
Light-Duty	103,576	95,895	1,118,004	1,038,283
Medium-Duty	3,617	3,225	42,211	36,978
Heavy-Duty	934	890	13,852	11,055
Ford Total	**108,127**	**100,010**	**1,174,067**	**1,086,316**
Light-Duty	95,004	84,047	1,174,067	1,013,716
Medium-Duty	1,708	1,856	19,322	18,472
Chevrolet Total	**96,712**	**85,903**	**1,193,547**	**1,032,233**
Light-Duty	22,681	22,892	287,197	260,179
Medium-Duty	1,461	2,238	26,570	26,209
Heavy-Duty	759	985	10,036	13,628
GMC Total	**24,901**	**26,115**	**323,803**	**300,016**

LIGHT-DUTY NOVEMBER, YEAR-TO-DATE SALES

	November		Year-to-Date	
	1985	1984	1985	1984
Vans	13,453	15,556	169,457	162,677
Aerostar	8,481	0	22,408	0
Club Wagon	2,442	2,983	29,449	29,784
Ranger	24,882	18,670	227,528	206,220
Bronco	4,839	4,585	47,663	43,212
Bronco II	12,493	8,266	97,675	91,651
Pickups	36,986	45,835	523,824	504,739
Ford	**103,576**	**95,895**	**1,118,004**	**1,038,283**
Vans	10,814	10,179	139,338	146,520
Sportsvan	1,275	1,094	19,455	20,580
Astro	9,257	224	95,701	244
S-10	16,361	14,123	195,620	175,949
S-10 Blazer	19,554	12,224	170,742	130,727
El Camino	1,760	1,533	19,231	21,570
Blazer	4,068	3,549	41,866	43,461
Suburban	4,422	4,095	53,842	47,165
Pickups	27,493	37,026	438,430	427,565
Chevrolet	**95,004**	**84,047**	**1,174,225**	**1,013,761**
Vans	3,749	5,019	59,123	66,130
Ram Wagon	2,389	2,904	37,047	37,032
Voyager	7,277	7,117	96,783	75,295
Caravan	7,504	7,577	102,919	78,385
Mini Ram Van	1,015	2,561	21,028	19,506
Ram 50	5,458	4,184	64,585	47,306
Other Plymouth Trucks	0	0	0	378
Ramcharger	977	2,607	27,949	25,848
Rampage	0	417	0	9,260
Pickups	8,728	10,986	151,023	122,781
Chrysler	**37,097**	**43,372**	**560,457**	**481,921**
Vans	2,544	3,558	37,272	43,380
Safari	1,894	17	22,486	17
S-15	3,711	3,440	43,926	40,971
S-15 Jimmy	4,326	3,164	38,776	31,736
Jimmy	841	736	8,149	7,910
Caballero	204	177	2,355	2,508
Suburban	1,276	1,214	16,468	15,013
Pickups	7,597	10,019	111,557	113,068
P Model	277	567	6,197	5,576
W-4	11	0	11	0
GMC	**22,681**	**22,892**	**287,197**	**260,179**
CJ	3,466	3,655	35,440	39,429
Wagoneer	1,658	1,802	12,325	18,312
Cherokee	12,867	7,259	88,924	61,495
Grand Wagoneer	1,419	1,886	15,595	17,190
Comanche	3,205	0	6,671	0
Pickups	179	268	1,791	3,189
Jeep	**22,834**	**14,870**	**160,746**	**139,615**
Toyota	26,510	23,237	297,046	238,866
Nissan	13,749	17,211	240,051	187,288
Mazda	8,6907	8,637	105,339	109,284
Isuzu	5,564	4,351	70,172	39,966
Mitsubishi	3,022	1,821	24,833	15,507
Imports	**57,535**	**55,257**	**737,441**	**590,911**
Industry Total	**338,727**	**316,333**	**4,038,070**	**3,524,670**

*Nissan includes domestically-built units in Tennessee.

November truck deliveries continue string of records

Continued from Page 14

Ford retailed 103,576 light duties, up from 95,895 a year earlier.

Ford retailed a total of 108,127 trucks in the month, up from 100,-010 last year.

Chevrolet retailed 95,004 light duties, up from 84,047 last year.

Chevrolet retailed 96,712 trucks in the month, up from 85,903 last year.

For 11 months, the industry retailed 4,295,582 trucks, up 13.7 percent from 1984's 3,777,816.

Chevrolet's 1,174,225 year-to-date light-duty total was up 15.8 percent over a year ago.

Chevrolet's total sales of 1,193,-547 were up from 1,032,233 in like 1984.

The cushion is strong enough to give Chevrolet calendar-year, as well as model-year, truck sales leadership in 1985.

Ford retailed 1,118,004 light duties during the 11 months, up 7.8 percent from a year earlier.

Ford retailed a total of 1,174,067 trucks, up from 1,086,316 in like 1984.

Chrysler retailed 560,457 light duties, up 16.3 percent from last year's 11-month total.

GMC retailed 287,197 light duties, up 10.4 percent from a year earlier.

GMC retailed a total of 323,803 trucks, up from 300,016 last year.

Jeep retailed 160,746 trucks, up 15.1 percent.

The imports retailed 737,441 trucks, up 24.8 percent from a year earlier.

Medium and heavy sales of 19,-767 were off from 22,382 during November, according to preliminary MVMA reports.

For 11 months, mediums and heavies totaled 257,512, up slightly over 253,146 in like 1984.

Medium-duty sales of 3,807 in November were off from 5,542 last year.

Year-to-date, mediums totaled 48,772, off from 55,910 in like 1984.

Within the medium segment, there were no Class 4 sales reported this year, according to MVMA.

Class 5 sales of 175 were off 74.1 percent for November. Year-to-date, Class 5 sales of 5,018 were up 4.5 percent from last year.

Class 6 sales of 3,632 were off 25.4 percent in November. Year-to-date, their 43,754-unit total was off 14.4 percent from last year.

Heavy-duty sales of 15,960 in November were off from 16,840 last year. Year-to-date, their 208,-740-unit total was slightly ahead of 197,240 in like 1984.

Within the heavy segment, Class 7 sales of 7,068 were up 16.3 percent for the month. Year-to-date, Class 7 sales of 88,118 were up 22.3 percent from last year, MVMA reported.

Meanwhile, Class 8 sales of 8,-892 were off 17.4 percent for November. For 11 months, Class 8's total of 120,622 was off 3.7 percent from like 1984.

VW, PACCAR detail plans for Class 6-7 distribution

Continued from Page 14

transmission option, also provided by Fuller, may be made available during the first year.

Although the vehicles will offer normal kinds of accessories like air conditioning and radios, the option list will be limited since this will be a "functional truck," Gross said.

The trucks will bear the Peterbilt and Kenworth nameplates.

As PACCAR expands its model range in Class 6 and 7, different kinds of GVW units in different configurations will be added.

As previously reported, VW do Brasil has been very successful in its home market, going from 2.8 percent penetration in 1979 to 22.7 percent of Classes 3, 6, 7 and part of 8 in which it competes.

Donald Dancey, executive vice president of VW do Brasil, previously told Automotive News that his firm was building 60 trucks a day—about 14,400 on an annualized basis of 240 work days.

It has the capacity, with proper investment, to get up to a maximum of 130-140 trucks a day.

VW do Brasil had an order for 1,000 trucks for China, and officials there indicated a desire for more, Dancey added.

In the U.S., PACCAR has had an off year in 1985. Market penetration for Peterbilt in Classes 7-8 was off 0.76 percentage points for 10 months, according to R.L. Polk, and penetration by Kenworth was off 1.69 percent points.

Industry analysts attribute Kenworth's steep slide to a sharp slowdown in demand among smaller owners-operators where a high percentage of its sales have traditionally been concentrated.

That segment appears to have softened more than the fleet side of the business which is also off.

PACCAR is among the last of the domestic heavy-truck firms to forge a marketing agreement with an overseas firm.

Earlier this year, International Harvester reached an agreement to market Nissan trucks. GMC and Chevrolet market Isuzu trucks, and Ford is selling a Brazilian-built Cargo line.

Mack markets Renault trucks. Freightliner and Mercedes-Benz are owned by West Germany's Daimler-Benz.

Buick eyes '88 for 'distinction'

By Michelle Krebs
Financial Editor

FLINT.—Buick will appear more distinct from other General Motors car divisions beginning in the 1988 model year, its general manager said.

The "new" Buick will emphasize technology and performance in product as well as non-product areas, Donald Hackworth said in an interview with Automotive News.

The massive reorganization of GM, which began two years ago, found that Buick was part of the corporation's strength, Hackworth said.

"That's the good news," he said. "The bad news is that our products look alike, they feel alike and they drive alike. And we've got to have some distinction."

Hackworth said distinction is now being established in the design studios. The 1987½ two-seater —known as the GM33—and Buick's 1988 models will reflect Buick's first move toward product differentiation.

"It's probably going to be more difficult to design a four-division program that will sell 1.5 million units a year—like the A-car program," Hackworth said.

The GM divisions, he said, will have to look for distinction in styling, pricing, powertrains and the demographics they go after when they create a four-division car.

Each GM division will look for more niche markets. Hackworth said GM33 and its subsequent derivatives represent a major niche market for Buick. "It's an image halo product for Buick," he said. "It's a statement about tomorrow."

In addition, Buick is considering a large station wagon as an alternative to a minivan to compete in that market.

Hackworth said Buick will participate heavily in motorsports to show off its performance-technology image, one that is designed to lower the average age of the Buick buyer, who is now 50 years old.

"Our image centers around technology and the transfer of technology from motorsports to production vehicles," said Hackworth. "It centers around our powertrain and our V-6 engine."

Hackworth said Buick's concept car, the Wildcat (Automotive News, Oct. 28), is a good example of Buick's new image.

"It's a little bit different from other concept cars," Hackworth said. "We didn't focus on aerodynamics and we didn't focus on speed . . . any one of the features you may see in future cars.

Donald E. Hackworth

Joe Wilssens

"We did focus on the V-6 engine," Hackworth said. "In fact, we set it up on a pedestal and designed the concept car around it, which is kind of unusual."

He added, "You will see the silhouet of that car in future models. The car is a statement of where we're going."

In addition, Buick will focus on performance packages that depict "more go and less show" than in the past, said Hackworth.

Buick also has gone high-tech in customer service. That part of the business is moving closer to becoming just as important as the product strategy, Hackworth said.

Computer systems are being installed in dealerships to help with technical problems in the repair shop. Systems also allow a customer to do comparative shopping.

Hackworth said Buick is "on the leading edge" of domestic divisions when it comes to customer satisfaction.

Said Hackworth: "If Roger Smith says he's getting ready for the 21st Century, then we're getting ready for the 21st Century as well."

By exporting manufacturing process as well as the car

Buick may expand 2-seater plan

Continued from Page 1

and production systems. Another British firm, Lamb-Sceptre, Ltd., supplied manufacturing equipment, and the Japanese company, Ogihara, made the dies.

Hackworth said the production system is set up in London. The first prototype car produced there is now in the U.S. for testing.

The manufacturing operation will be taken apart piece by piece and moved to Lansing.

Hackworth said the manufacturing operation could be duplicated and set up anywhere in the world.

"There is no firm plan to do that," Hackworth said, "but we have certainly taken a cursory look at it. It's a car that the Europeans could identify with. I would suspect that there is an opportunity."

Buick is exploring export opportunities, Hackworth said.

"We have a group of people who have said if we're going to be a total business, a total company in tomorrow's world, we're going to have to compete on an international basis," he said. "To do that, you have to have products designed to have appeal on a worldwide basis."

He said Buick is evaluating its strengths and looking at what parts of the world would be suitable for its products. He suggested the two-seater and the Electra Park Avenue as possibilities for export.

"I do not think we're going to develop all of our products for markets all over the world," Hackworth said. "But when we design products, we have to design them with the engineering capability to be either left-hand drive or right-hand drive and consider those markets.

"What the general manager of Buick has to do is be more aware than in the past that when we're conceiving a car in our studios and we're thinking about our future, our image will be enhanced if we make products more viable in an international marketplace."

Hackworth said Buick chose a two-seater because its forecasts show that market segment will explode, even though the market will become more competitive in the next year or two.

Hackworth divides the two-seater market into sporty and luxury. The Pontiac Fiero is the low-price sporty while the Chevrolet Corvette is the high-price sporty.

Cadillac's Allante, to be introduced as a 1987 model, will be GM's ultra-luxury two-seater while Buick's two-seater will be GM's near-luxury two seater. Though GM is not talking about price yet, Buick's two-seater is expected to be priced between $20,000 and $30,000.

"Our observations are that there will be more growth in the luxury end of it than in the sporty end of it," Hackworth said.

He said Buick's two-seater is important for more reasons than sales and profitability.

"It's an image halo product for Buick," he said. "It's a statement about tomorrow. It's a product that allows us to make a statement about where Buick is going."

Hackworth noted that the two-seater will be one of the first all-new GM products since the auto company's massive reorganization.

In the meantime, Buick must decide on a name for the two-seater. A decision will be made in the first quarter of 1986, Hackworth said.

The choices have been narrowed to three: Wildcat, a former Buick model and the name for its newest concept car; Questor, the name of a Buick show car, and Reatta (pronounced ray-ATT-a), which Buick officials say is a manufactured word but also is a Spanish-American word for lariat.

Cadillac retailer seeks to buy 51 pct.

Rescue of Excalibur may come from dealer

Continued from Page 3

development costs and downtime associated with introduction of new models, expansion of the distribution system and heavy sales of other new cars during the incentive period late last summer. They said the incentives made dealers less inclined to solicit Excalibur business.

William Stevens said Robinson, who holds an Excalibur franchise, is one of 23 parties who expressed interest in acquiring either a majority or a share of the company and were subsequently sent investment packages. But he characterized the Atlanta Cadillac dealer as the most promising prospect.

"I would say so," said Stevens. "He has a lot of connections with General Motors because of who he is and his stature. He is probably the most viable (potential buyer). He brings the most to the party in terms of ability and knowledge and so forth."

Stevens said his goal is to conclude a deal before the end of the year. But even if an agreement is reached that soon, he said, the transaction would take 40 to 60 days to clear bankruptcy court.

"We'd have to go back to the creditors and work out a deal with them," he said. "But I have an idea on how to solve their problems."

Relations between Excalibur and creditors have been relatively cordial since the Chapter 11 petition was filed. Creditors last month did not block a $500,000 line of credit negotiated by the company with a local bank that enabled the company to continue manufacturing.

To finance the buyout, Robinson is pursuing a number of courses, including an application for a low-interest, $3.8-million loan from the Wisconsin Housing and Economic Development Authority.

The program is designed to make low-cost loans available for retaining or expanding employment in Wisconsin and is funded by issuance of tax-exempt industrial revenue bonds, according to Executive Director Edward Jackamonis.

The authority, which gave preliminary approval to Robinson's application on Dec. 13, could assist the project in one of two ways, Jackamonis said.

One procedure is to find a bank to underwrite the loan and buy the bonds from the authority. The loan is then assigned to the bank as payment for the bonds and the bank collects the loan and uses the proceeds to pay off the bonds.

The second procedure is to sell bonds on the public market to disinterested parties, he said.

One complicating factor, according to Jackamonis, is that program law limits such low-interest-loan deals to organizations with annual sales of less than $35 million. The authority was informed that the dealership had achieved sales of $32 million annually during the past two years and the addition of Excalibur assets could put Robinson over the technical limit.

Jackamonis said the state Department of Development will issue a ruling on the issue before the panel meets again in January.

Meanwhile, Robinson is investigating other means of acquiring funds to help close the deal, according to Stevens.

"R.V. told me he has three bases to get the financing and this is one of them," Stevens said. "He is also working on a federal program."

Robinson said the Wisconsin Housing and Economic Development Authority application "is not the best shot." But he declined to detail other avenues he is pursuing.

Excalibur produces the Series V Phaeton and Roadster models and is making plans to offer a two-door sedan, a four-door sedan and a limousine next year. The vehicles sell for approximately $60,000.

The company currently employs about 40 persons at its 95,000-square-foot facility in West Allis, Wis., and employs about 110 at the full production level of some 240 cars per year.

New Zaporozhets tested; production slated for 1987

MOSCOW.—The front-wheel-drive ZAZ-1102 car, which will go into serial production in 1987 as the base model for a new generation of Zaporozhets cars, is undergoing development tests, according to a Soviet report.

The new car, designed by the AvtoZAZ production association in Zaporozhye (Ukraine), has a top speed of 85 MPH, the report said.

The Soviets claim the pilot model uses 30 percent less fuel than the older model, getting about 50 MPG at 55 MPH. Fuel consumption is expected to be reduced further in the development process, the Soviet report said.

The new Zaporozhets has off-road capability, the Soviet report said.

Service Index charts good year

Continued from Page 2

tober period showed an 8.0-percent gain.

Shop parts sales, customer and warranty, increased 7.3 percent over the corresponding period of 1984. Sales of all parts and accessories during the first 10 months of the year were up 5.5 percent over 1984.

Figures used in the Service Index are averages compiled from reports on shop business from a cross-section of the nation's new-car dealerships.

SERVICE INDEX
106.5★

	Oct. '85 vs. Oct. '84	10 mos. '85 vs. 10 mos. '84
Gross Profit on All Labor and P&A Sales	+6.8%	+8.0%
Repair Orders Written	+12.9%	+9.3%
Total Labor Sales (Customer & Warranty)	+10.4%	+11.2%
Shop Parts Sales (Customer & Warranty)	+0.3%	+7.3%
Sales of All P&A	+1.9%	+5.5%

★—Survey by Automotive News shows that dealers' service and parts business in October, 1985, was 106.5 percent of business in October, 1984. Service business in the first ten months of 1985 was 108.3 percent of business in the corresponding period in 1984.

Despite output by two new companies

'85 model run declines slightly

By Kathy Boyer
Detroit Reporter

Although two new companies contributed 45,311 units to the 1985 model run, total production was down slightly from the previous model year.

Nissan Motor Mfg. Co., U.S.A., began production of the Sentra late last March at its plant in Smyrna, Tenn., and New United Motor Mfg., Inc., Fremont, Calif., started assembling the Chevrolet Nova in late December, 1984.

But auto production during the 1985 model run dipped 1.57 percent from 1984.

Car makers assembled 7,975,390 units in the 1985 model year, compared with 8,102,269 in 1984, which was the highest model-run production since 1979.

For the 1985 model year, all the domestic makers except Honda of America Mfg. Co. and Chrysler Corp. reported decreases.

A high demand for the Honda Accord brought total model run production to 155,102 cars, 32.34 percent more than the 117,200 completed in the 1984 model run.

Chrysler posted an increase of 11.83 percent during the model year—to 1,315,326 units, up from 1984's 1,176,144.

The company introduced two new models for 1985, the Chrysler LeBaron GTS and the Dodge Lancer.

General Motors' production of 4,490,883 cars during the 1985 model year was down 4.09 percent from 1984's 4,682,477.

Buick, Cadillac and Oldsmobile all reported increases, while Chevrolet and Pontiac Division showed decreases for the model year.

Production of GM's X-cars (Buick Skylark and Chevrolet Citation) was halted in 1985.

All Chevrolet models showed production decreases except the full-size Chevrolet.

Pontiac added the Grand Am and the 6000 to its lineup during the 1985 model year (the 6000 was built only in Canada in 1984). But the Pontiac Fiero, 1000 and Sunbird had a late start in the 1985 model year because the 1984 run was extended to improve GM's CAFE average. The extension also involved Chevette and all J-cars.

The Chevrolet Cavalier recorded the highest production of any 1985 nameplate (383,785), representing 4.80 percent of total U.S. output.

Ford Motor Co.'s production of 1,735,782 cars fell 4.29 percent from the 1984 model-run total of 1,813,523.

The company moved production of the Ford Crown Victoria and Mercury Grand Marquis from the U.S. to Canada in early 1985.

Ford's EXP model was temporarily discontinued in February, 1985. Production is scheduled to resume in early 1986.

American Motors' production of 150,189 units during the 1985 model year fell 28.01 percent from 1984's total of 208,624. The Kenosha plant was closed approximately 13 weeks during the model year for inventory adjustment.

Volkswagen of America reported production of 82,797 cars for the 1985 model run, down 20.62 percent from 1984's 104,301.

Honda doubles output plans for Canadian assembly plant

By Richard Johnson
Detroit Reporter

Honda Motor Co. has announced plans to double the output of its assembly plant now under construction near Alliston, Ont.

Meanwhile, an American Honda spokesman last week said the company's decision to build a second assembly plant in the U.S. will depend in part on the success of its new Acura line of imported upscale cars.

Honda had originally planned to be producing 40,000 units annually at Alliston by 1989. But in a speech in Toronto last week, Honda President Tadashi Kume said the company will now shoot for 80,000 cars a year by adding a second shift.

Since setting its earlier plans, Kume said the company has grown "more confident than ever in the strong demand for our products and the promising future market in Canada."

Japanese manufacturers are still observing import restraints limiting them to about 18 percent of the Canadian domestic market. Honda, which has sold 57,852 vehicles this year in the country, has surrendered the No. 1 importer position to Hyundai of South Korea.

Construction of the Alliston facility is scheduled to be completed next summer. Production is to begin late next year.

Initially, Honda will build the Accord model, with Civic models added afterwards.

Honda is increasing its investment in the plant from $100 million (Canadian) to $200 million. The factory will employ about 700 persons on two shifts when full production is reached.

A company spokesman last week said North American content at Alliston will be about 50 percent, including approximately 30 percent from Honda's Marysville, O., manufacturing operations.

Kume said Honda is "contemplating exporting some of our Canadian-made cars to the U.S. if market conditions permit."

Honda is also expanding its Marysville capacity by 180,000 cars per year by late 1986. The company now builds 150,000 Accords at the site.

Toyota recently announced it will build a $400 million (Canadian) assembly plant in Cambridge, Ont., that will produce 50,000 Corolla-class cars. Hyundai plans to construct a $300-million (Canadian) plant southeast of Montreal that will turn out 100,000 Pony Excel models a year.

VW postpones decision to buy into Spain's Seat

WOLFSBURG, West Germany.—Volkswagen has postponed its decision to buy into Spanish auto maker Seat. A decision is now expected following the next board meeting in February.

VW's negotiations with INI, which controls Seat, center on questions of future product policy, factory modernization and, particularly, the financial state of the Spanish company. But VW is hopeful that some sort of agreement will take place.

Spare for Seville

E&G Classics, Columbia, Md., adds its Classic Spare to the 1986 Cadillac Seville. This feature is also available for the Cadillac Eldorado.

Reagan picks Oliver for post of FTC chairman

WASHINGTON.—Conservative Republican David Oliver is President Reagan's nomination for chairman of the FTC, now short two commissioners.

Oliver, 46, has most recently been general counsel for the Agriculture Department. Before that, he was general counsel of the Education Department. Earlier, Oliver was in private law practice and was executive editor of the National Review.

Oliver will fill out the seven-year term (which began Sept. 26, 1981) of former Chairman James C. Miller III, now head of the White House Office of Management and Budget.

Political independent Kenneth Elzinger, an economics professor at the University of Virginia and an antitrust expert, is now thought to be out of the running for the other FTC nomination—if only because strong objections from Capitol Hill would follow if FTC had not a single Democrat.

Currently, the FTC's acting chairman is Terry Calvani, a Republican. Other commissioners are Patricia Bailey, a moderate Republican, and Mary Azcuenaga, an independent.

—Helen Kahn

Ford completes $493 million buy of finance firm

DEARBORN.—Ford Motor Co. has completed its purchase of an 81-percent interest in First Nationwide Financial Corp., the nation's ninth-largest savings and loan association. Ford purchased the firm from National Intergroup.

The $493 million purchase was announced in August. Completion of the transaction follows approval by the Federal Home Loan Bank board. Ford paid $32 per share for the savings and loan association.

First Nationwide will operate as an independent company. Anthony M. Frank will continue as chairman and chief executive officer. The firm is headquartered in San Francisco and has 180 branches in California, Florida, New York and Hawaii. It has $11.2 billion in assets.

Its businesses also include TranSouth Financial Corp., a consumer finance company with 144 branches in seven Southeast states, and First Nationwide Network, a franchising affiliate offering a variety of services to other savings institutions.

Riesenbach succeeds Reich in Subaru post

PENNSAUKEN, N.J.—Marvin S. Riesenbach has been named executive vice president—finance and administration of Subaru of America, Inc.

He succeeds Robert L. Reich, who died unexpectedly Nov. 11. Riesenbach will have overall responsibility for corporate finance, banking and investor relations. He formerly was executive vice president—administration and secretary.

U.S. CAR MODEL-YEAR OUTPUT '85 VS. '84

	1985 Model Year	Pct. of Output	1984 Model Year	Pct. of Output	Pct. of Change '85 vs. '84
AMERICAN MOTORS	150,189	1.88	208,624	2.57	−0.69
Renault Total	150,189	1.88	208,624	2.57	−0.69
Alliance	91,664	1.15	121,015	1.49	−0.34
Encore	58,525	0.73	87,609	1.08	−0.35
CHRYSLER CORP.	1,315,326	16.49	1,176,144	14.52	+1.97
Plymouth Total	393,711	4.94	357,764	4.42	+0.52
Horizon	156,073	1.96	147,902	1.83	+0.13
Reliant	166,966	2.09	187,245	2.31	−0.22
Caravelle**	51,504	0.65	7,932	0.10	+0.55
Gran Fury	19,168	0.24	14,685	0.18	+0.06
Chrysler Total	420,780	5.27	375,853	4.64	+0.63
LeBaron	101,028	1.26	111,808	1.38	−0.12
LeBaron GTS	70,957	0.89	0	0.00	+0.89
Laser	58,337	0.73	69,720	0.86	−0.13
New Yorker/E-Class	70,143	0.88	106,240	1.31	−0.43
Fifth Avenue	120,315	1.51	88,085	1.09	+0.42
Dodge Total	500,835	6.28	442,527	5.46	+0.82
Omni	146,731	1.84	142,494	1.76	+0.08
Aries	141,841	1.78	150,702	1.86	−0.08
Daytona	50,107	0.62	53,635	0.66	−0.04
Dodge 600	69,352	0.87	72,070	0.89	−0.02
Lancer	50,942	0.64	0	0.00	+0.64
Diplomat	41,862	0.53	23,626	0.29	+0.24
FORD MOTOR	1,735,782	21.76	1,813,523	22.39	−0.63
Ford Division	1,149,427	14.41	1,180,708	14.57	−0.16
Escort	364,345	4.57	331,802	4.10	+0.47
Mustang	156,514	1.96	141,480	1.75	+0.21
LTD	205,535	2.58	213,742	2.64	+0.06
Thunderbird	151,852	1.90	170,551	2.10	−0.20
Crown Victoria	43,184	0.54	86,084	1.06	−0.52
EXP	26,462	0.33	23,016	0.28	+0.05
Tempo	201,535	2.53	214,033	2.64	−0.11
L-M Division	586,355	7.35	632,815	7.82	−0.47
Mercury Total	419,869	5.27	475,381	5.88	−0.61
Lynx	80,551	1.01	66,056	0.82	+0.19
Capri	18,654	0.24	20,642	0.26	−0.02
Marquis	104,198	1.31	107,812	1.33	−0.02
Cougar	117,274	1.47	131,171	1.62	−0.15
Grand Marquis	37,101	0.47	90,341	1.12	−0.65
Topaz	62,091	0.77	59,359	0.73	+0.04
Lincoln Total	166,486	2.08	157,434	1.95	+0.13
Continental	28,253	0.35	30,468	0.38	−0.03
Lincoln	119,878	1.50	93,622	1.16	+0.34
Mark VI/VII	18,355	0.23	33,344	0.41	−0.18
GENERAL MOTORS	4,490,883	56.31	4,682,477	57.78	−1.47
Buick Total	1,002,906	12.57	987,980	12.20	+0.37
Skylark	93,157	1.17	111,211	1.38	−0.21
Skyhawk	82,516	1.03	145,393	1.79	−0.76
Somerset Regal	86,071	1.08	0	0.00	+1.08
Century	257,192	3.22	219,858	2.71	+0.51
Regal	124,546	1.56	224,754	2.77	−1.21
LeSabre/Electra (rwd)	157,256	1.97	228,901	2.83	−0.86
Riviera	65,305	0.82	57,863	0.72	+0.10
Electra	136,863	1.72	0	0.00	+1.72
Cadillac Total	384,840	4.83	300,300	3.70	+1.13
Cimarron	19,890	0.25	21,898	0.27	−0.02
Seville	39,755	0.50	39,997	0.49	+0.01
Eldorado	76,401	0.96	77,806	0.96	−0.00
Cadillac	51,701	0.65	160,599	1.98	−1.33
DeVille(fwd)	197,093	2.47	0	0.00	+2.47
Chevrolet Total*	1,418,098	17.78	1,655,151	20.41	−2.64
Chevette	123,499	1.55	240,189	2.96	−1.41
Cavalier	383,785	4.80	462,612	5.68	−0.88
Celebrity	270,418	3.39	279,111	3.45	−0.06
Camaro	180,018	2.26	261,592	3.23	−0.97
Citation	62,722	0.79	102,205	1.26	−0.47
Monte Carlo	122,057	1.53	136,778	1.69	−0.16
Chevrolet	235,870	2.96	121,117	1.50	+1.46
Corvette	39,729	0.50	51,547	0.64	−0.14
Oldsmobile Total	1,165,649	14.62	1,144,225	14.12	+0.50
Omega	0	0.00	52,986	0.65	−0.65
Firenza	49,040	0.62	82,475	1.02	−0.40
Cutlass Supreme	240,216	3.01	309,124	3.82	−0.81
Cutlass Ciera	316,753	3.97	280,839	3.47	+0.50
88/98 (rwd)	241,765	3.03	370,701	4.57	−1.54
Olds 98	169,433	2.12	0	0.00	+2.12
Calais	106,257	1.33	0	0.00	+1.33
Toronado	42,185	0.54	48,100	0.59	−0.04
Pontiac Total	519,390	6.51	594,821	7.34	−0.83
Acadian**	8,992	0.11	5,866	0.07	+0.04
2000 Sunbird	111,899	1.40	169,290	2.09	−0.69
1000	25,855	0.32	55,083	0.69	−0.37
Firebird	95,880	1.20	128,304	1.58	−0.38
Phoenix	0	0.00	22,847	0.28	−0.28
6000	35,726	0.45	0	0.00	+0.45
Grand Prix/Bon'vle	0	0.00	53,222	0.65	−0.65
Parisienne	82,107	1.03	25,624	0.32	+0.71
Fiero	76,371	0.96	134,585	1.66	−0.70
Grand Am	82,560	1.04	0	0.00	+1.04
HONDA	155,102	1.95	117,200	1.45	+0.50
NISSAN	17,368	0.22	0	0.00	+0.22
NUMMI(Nova)	27,943	0.35	0	0.00	+0.35
VOLKSWAGEN	82,797	1.04	104,301	1.29	−0.25
Total Cars, U.S.	7,975,390	100.00	8,102,269	100.00	0.00

*—Chevrolet Division 1984 figures have been revised to include only U.S. production.
**—Built for sale in Canada only.

No fresh line in 1986, Dedeurwaerder says

AMC chief predicts a rocky road ahead

By Richard Johnson
Detroit Reporter

American Motors' "erratic" performance will continue in 1986 as it struggles through another year without additions to its passenger-car line, according to AMC President and Chief Executive Officer Jose Dedeurwaerder.

At a press conference at the company's Southfield (Mich.) headquarters last week, Dedeurwaerder said AMC won't escape its current financial dilemma until it enters the intermediate and compact segments with new Renault products in 1987.

AMC lost nearly $120 million through the first nine months of 1985. AMC sales are off 36 percent for the year.

"We've said for a long time that we're going to have erratic performance up to the moment when we have something more to sell," said Dedeurwaerder.

In 1987, AMC will receive a North American version of the new R-21 that will be introduced in Europe next summer, as well as a new intermediate model to be built at the company's new facility in Bramalea, Ont. Also coming in 1987 is the relatively low-volume Alpine sports car from Renault.

"You know how things are going and the pressure it is putting on the small-passenger-car segment," said Dedeurwaerder. "It is always very, very difficult for us. But I believe we will be on the end of that kind of situation when we have our other cars. And all those programs are on time. The new cars are coming out in 1987."

Dedeurwaerder declined to predict the company's fourth-quarter results, although he said "the fourth quarter looks much better than the third."

During the press session last week, AMC's new chief operating officer, Joseph Cappy, said some of the decline in Alliance/Encore sales this year has resulted from a decision to withdraw in part from the fleet business.

"Relatively, we're kind of holding our place in the domestic competition," said Cappy. "It's just that now you've got so many more Japanese products streaming on the scene and, frankly, everybody is down.

"Our sales are down, but frankly one of the reasons is we haven't gone after fleet business," he added. "We consciously backed away from fleet business this year and that's worth as much as 20,000-30,000 units."

He said the decision to pull back on fleet sales was because "that business is not as profitable as the retail business is."

"We're not going to do that just to make volume," said Dedeurwaerder. "That is very clear."

He said AMC is also looking outside the U.S. for possible relocation of its Kenosha assembly operations. Several states have approached the company with financial packages should AMC decide to leave Wisconsin in 1989, when the Kenosha-built Alliance and Encore models are due to be phased out.

Asked about AMC's interest in relocating in Canada or Mexico, Dedeurwaerder said, "We have a good country to talk to, it's called France."

AMC's new board chairman, Pierre Semerena, a former Renault executive, told the press gathering that he will not have a day-to-day role in the management of the company.

Semerena, who will live in New York and maintain an office in Southfield, said he will be responsible for preparing and conducting board and shareholder meetings.

"The management of the company will be in the hands of Mr. Dedeurwaerder and Joe Cappy," he said. "I will be responsible for the permanent relations between the various members of the board. I will participate in the relations between American Motors and Renault when I can help. And I think I can help because I worked a long time with Renault."

But the new chairman said he does not have a specific mandate or assignment, such as coordination of Renault activities in North America or responsibility for AMC's import planning.

Semerena was elected chairman at the board's Dec. 13 meeting in New York, replacing Paul Tippett, who became president of Springs Industries in July and continues as an AMC director. Semerena has been a member of AMC's board while serving as executive vice president of Renault, which owns 46 percent of AMC stock.

Sources indicate that Dedeurwaerder will be returning to France some time in the first six months of 1986 to accept major responsibilities with Renault, but may retain direct responsibility for AMC.

However, he dismissed the reports last week as "speculation."

He also denied rumors that the company is nearing a joint car-making venture with an Asian auto maker, possibly Fuji Heavy Industries, parent company of Subaru of America.

"We never made any statement that we were talking with Fuji Heavy Industries or Toyota or with Mitsubishi, never," he said. "Those were speculations. Yes, we do have contacts with Japanese companies, even if they are not making cars, but are making componentry. We are interested in trying to find alternatives for componentry for our cars. There is no reason to be specific yet about any contacts."

Joe Wilsdans

New chairman

Pierre Semerena, new chairman of American Motors, said he will not have a day-to-day role in management. He will concentrate on board and shareholder meetings.

Import stockpile at highest total in nearly 3 years

Continued from Page 2

compares with 97,597 on Nov. 1 and 98,396 on Dec. 1, 1984. As noted, there was a 41-day supply of trucks on Dec. 1, compared with 39 a month earlier and 42 a year earlier.

Adding import cars and trucks, the vehicle stockpile this month was 407,217, up from last month's 373,603 and a year-ago's 330,548. Those figures translated into a 33-day supply this month, a 30-day supply a month earlier and a 32-day supply a year earlier.

These are the import cars by country of origin and their days' supplies:

Japan—Honda, 6; Toyota, 11; Subaru, 17; Mazda, 18; Nissan, 26; Mitsubishi, 32; Chrysler Corp. imports, 67; Chevrolet imports, 96 (including 64 for the Suzuki-built Sprint and 131 for the Isuzu-built Spectrum), and Isuzu, 101.

Germany—Mercedes-Benz, 24; Porsche, 52; Audi, 62; BMW, 68; VW, 71, and Merkur, 139.

Other countries—Yugo, 14; Jaguar, 16; Saab, 37; Volvo, 54; Alfa Romeo, 62; Peugeot, 90, and Renault, 221.

IMPORT STOCKS

	Dec. 1, 1985	Nov. 1, 1985	Dec. 1, 1984
Spectrum	131	128	267
Sprint	64	75	41
Chevrolet	96	103	126
Chrysler Corp.	67	59	52
Honda	6	7	11
Isuzu	101	95	56
Mazda	18	19	37
Mitsubishi	32	28	17
Nissan	26	26	29
Subaru	17	16	16
Toyota	11	8	13
JAPAN	24	23	23
Audi	62	63	73
BMW	68	31	80
Mercedes-Benz	24	44	8
Merkur	139	104	0
Porsche	52	52	60
VW	71	63	69
GERMANY	59	53	53
Alfa Romeo	62	47	66
Jaguar	16	12	16
Peugeot	90	75	38
Renault	221	208	169
Saab	37	28	28
Volvo	54	51	39
Yugo	14	1	0
Other Countries	51	46	47
Total Import Cars	31	28	27
Isuzu	103	104	77
Mazda	21	12	32
Mitsubishi	32	38	26
Nissan*	55	57	45
Toyota	23	23	32
Chrysler	66	52	70
Total Import Trucks	41	39	42
Total Import Vehicles	33	30	32

*Includes domestic trucks

AMC 'looking at' import of a price-leader auto

Continued from Page 3

to that, we would have to look at where it would best fit in," he said.

Guptill said AMC "might" wait until 1988 to introduce such a vehicle, but added that "all considerations have to be weighed. We can't sit here and delay adding new products and expect Alliance and Encore to carry three or four different segments."

AMC has refused to acknowledge persistent rumors that it is talking with an Asian company about a deal that could lead to construction of a joint-venture plant in the U.S. or importing a small, price-leader car.

At a press conference last week, AMC President Jose Dedeurwaerder said "we have had contacts with people and our basic orientation is we are looking for components."

He denied that the company is nearing an agreement with Fuji Heavy Industries, parent company of Subaru of America, which has been pegged as a likely partner for AMC.

Guptill said dealers are very enthusiastic about the 1987 Renault entries. The models represent key elements of a five-year product-development plan designed to broaden AMC's market coverage beyond the shrinking subcompact segment.

Guptill said the U.S. version of the R-21, which debuts in Europe this summer, will arrive "in February (1987) for perhaps a March introduction." He said the Bramalea intermediate and the Alpine are due "more toward the end of summer."

He said the Canadian car "deserves to have its own launch." The Alpine had originally been projected for a late 1986 debut in the U.S., but its timetable has been pushed back to early 1987.

Guptill said the company will make its official announcement of its coming successor to the Jeep CJ during the first week of January. The YJ product, which will be built in the company's Brampton assembly plant, has been described by sources as a lower, wider, more stylish and much less stark version of the CJ. Guptill last week said he is not concerned that the YJ, with its added creature comforts, will turn off the traditional CJ buyer.

Guptill said Alliance/Encore sales will be slightly over 100,000 for 1985, and he projected sales next year in the 90,000 range. He said Jeep sales will establish an alltime record in 1985 and predicted that Jeep will surpass 150,000 units next year.

Guptill said the company has no specific plans for following up its current round of rebates on Alliance/Encore when they expire on Jan. 10.

"There are some ideas floating around the building," he said, adding that there is a "high probability" of followup incentives.

Guptill claimed dealer morale has remained strong in the midst of an Alliance/Encore sales slump.

"Dealers are ecstatic about Jeep sales," he said. "Their profitability is satisfactory as a result of that. They are working hard to get the domestic Renaults sold. But they understand the product drought we are going through, and we've been candid with them. We've asked for their patience and indulgence and we've received fantastic cooperation."

But the outlook for 1986 remains glum for AMC, what with continued erosion of the subcompact segment, increased Japanese imports and CAFE pressure forcing General Motors and Ford Motor Co. to push their own subcompact cars.

"We view ourselves as the Marines of the industry," he said. "We're going to put on our helmet and I guarantee you we're going to be here at the end of the year."

UAW vote at Honda plants faces an indefinite delay

Continued from Page 3

Oct. 28, Honda granted increased benefits, including extra holidays and increased time off at Christmas, "in order to discourage activities" by the union.

Honda said scheduling changes for 1986 were announced Oct. 28 in accordance with the company's handbook for its "associates." The 1986 changes include a continuous paid Christmas holiday from Dec. 24 through Jan. 2 and the addition of four paid days off during the week of July 4. In the past, employes were required to use vacation time or go without pay during the July shutdown.

The company and the union also dispute the role of the Associates Alliance which the UAW described as "employer dominated." The union maintains that the employe group, which opposes union representation, has distributed and sold election campaign material on company property during work time.

Honda denied the group is controlled by the company. It said the Associates Alliance and the UAW were permitted to campaign on company property but not on company time.

The UAW has been trying to organize Honda since 1981.

In petitioning for recognition, the UAW claimed that wage and fringe benefits at Honda lag behind those paid unionized auto workers at General Motors, Ford Motor Co. and Chrysler Corp. The union has also cited production speedups and working conditions.

Drive Aid car to visit auto shows

Bill Gerrard, Chevrolet's area marketing manager/East, stands next to the Drive-Aid Signature Car, a Chevrolet IROC Z-28 Camaro that was signed by more than 50 enterainers at July's Live Aid concert in Philadelphia. The car will be displayed at January auto shows in Baltimore, Philadelphia, Washington and New York. It will be the grand prize in an eight-city sweepstakes created by Chevrolet and MTV and will be awarded at the Drive Aid rock concert at Radio City Music Hall in New York Feb. 20. The project benefits the Live Aid Foundation, which helps raise funds to fight world hunger.

Waiting for orders from subsidiaries, Edsel Ford says

Taurus-Sable to test world market

By John A. Russell
New York Staff Writer

NEW YORK.—Ford's Taurus and Sable were designed for the world market, and the company is waiting for its overseas subsidiaries to start placing orders for specific models in the line, according to Edsel B. Ford II, general marketing manager for Lincoln-Mercury Division.

Ford made the company's concept of its newest models clear during a regional introduction of the two cars here.

He also said that the division was working on a new luxury car for Lincoln but would not reveal details.

Ford Motor Co.'s world market concept was stressed during an informal discussion with reporters on a wide range of subjects including the recent announcement by General Motors to offer more incentives.

Edsel Ford noted that Ford had announced a similar program, but added that he was disturbed by the public perception that "we always follow GM" and "every time GM sneezes we get pneumonia."

He agreed with several published analyses claiming that customers have come to expect incentives and will wait for those opportunities to buy cars—as indicated by the recent decline in sales for the domestic industry.

Ford Motor believes incentives constitute a disruption of the market, but with GM holding a 45 percent market share, other companies must go along or lose in the long run, Edsel Ford said.

He agreed that GM divisions often compete with each other rather than with other companies and added that here Ford and GM part ways.

According to the world-market approach, with the company having spent $3 billion on the development of Taurus and Sable, it wants to make the cars available to its subsidiaries.

The Ford executive did not reveal whether the cars would be built overseas or exported.

But he made it clear that the company was "waiting for the sisters (the overseas subsidiaries) to order." He said he believed the station wagon would probably be the car these companies choose.

Edsel Ford has some specific ideas which will have an impact on L-M. First and foremost, he wants to create separate identities for each marque.

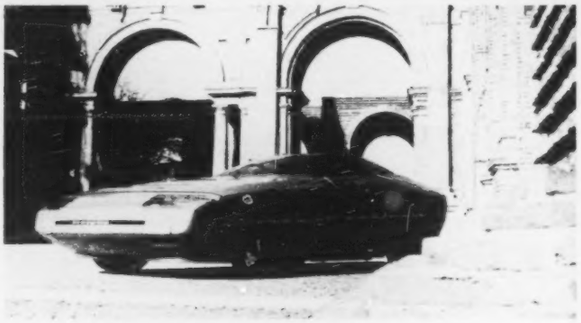
Mercury has a very low consumer awareness, he noted, and Merkur is struggling for identity.

Consequently, separate advertising programs will be launched for each marque to establish them in the marketplace.

He would not reveal the content of the advertising or the methods that will be used.

As for Merkur, he said everything connected with the introduction was wrong—from the availability of certain options to the advertising plan, which he termed too inconsistent to establish the nameplate.

Sounding a more encouraging note, he said that Lincoln has "Cadillac in its sights" and will do 60 percent of Cadillac's volume next year. And, he added, the Lincoln Town Car will be produced until at least the end of the decade.



Bertone's Ramarro wins award

Bertone, of Turin, Italy, has received the 1985 Car Design Award in the prototype category for its Ramarro, a Bertone-styled Chevrolet Corvette. The judges' panel was composed of representatives from 10 automotive magazines.

Ford-Budd settlement bared over use of too-thin steel

By Richard Johnson
Detroit Reporter

Ford Motor Co. acknowledged last week that it reached a financial settlement "a couple of years ago" with a supplier which provided Ford with sheet metal stampings of insufficient thickness.

A Ford spokesman said the company discovered in 1983 that "a small number" of stampings purchased from Budd Co., a major auto supplier based in Troy, Mich., were too thin. However, Budd denied that thinner steel was used intentionally.

The companies have declined to discuss the size of the settlement or speculate on the number of under-gauge stampings received or specific components and car models involved.

A Ford spokesman last week said measurements of stamped steel "led us to believe that we were receiving a small number of stampings made from under-gauge steel."

He said a review of Budd's shipping records confirmed the problem, which was brought to the supplier's attention. The resulting compensation agreement was reached without litigation, according to the Ford representative, who termed the size of the settlement "proprietary." Budd remains a major supplier of stampings to Ford, as well as to General Motors and Chrysler Corp.

The Ford spokesman said the company is not sure what parts and car lines may have received the too-thin stamped steel.

"It could have been a number of different parts, so we're not going to speculate," he said. The company has said the thinner metal would have "no significant effect" on crashworthiness or rust susceptibility.

The shortfall ranged from 0.001 of an inch to 0.004 of an inch.

"Thickness in sheet metal as received varies within any coil," said Paul Sicher, a Budd vice president. But he said thickness is only one factor contributing to the final quality of a stamping.

"Bending and stretching may cause, for example, significant thinning to occur during press operations to form any part," he said. "Conditions such as may be alleged in the sheet metal are consistent with normal forming variations and would not affect the appearance or function of automotive stampings."

The issue was made public last week in the course of a lawsuit filed by a former Budd employe against the company. The suit alleges that he was dismissed because he discussed the company's use of thin steel. The ex-employe charged that the supplier made a conscious effort to provide under-gauge steel.

GM ends up on 'right side' in tax-reform struggle

Continued from Page 2

publican, and Senate Majority Leader Robert Dole, Kansas Republican, expressed optimism that senators would craft a bill similar enough to the House version to produce a successful conference.

Packwood said his committee would begin hearings in January or February and perhaps begin writing a tax bill in March.

The tax plan approved by the House, while benefitting most individual taxpayers, would increase taxes on most large corporations. Many small businesses, on the other hand, would realize tax savings.

Manufacturing companies, which presently benefit from a range of tax breaks—particularly with regard to equipment expenditures—would be hit heavily by the bill's elimination of the investment tax credit and revised depreciation plan. Changes in tax treatment for foreign earnings would also impact multinational corporations.

Under the bill, the top corporate tax rate for large businesses would be 36 percent, down from the current top rate of 46 percent. The minimum business tax rate would be 25 percent.

The bill requires companies to write off the cost of equipment and real estate over longer periods, reducing the deductions they can take each year. The investment tax credit, which now pays for as much as 10 percent of the cost of new equipment, would be repealed.

Companies could deduct from income 10 percent of the cost of dividends they pay, but only after a phase-in period of one percentage point per year.

Employer-provided fringe benefits, such as premiums for health insurance, remain untaxed.

obituaries

Maurice L. Berger

BALTIMORE.—Maurice L. Berger, 89, retired owner of Berger Oldsmobile, died Dec. 11. He began his automotive career selling Stanley Steamer, Chalmers and Maxwell in Newport News, Va. Mr. Berger operated Berger Oldsmobile in Baltimore from 1933 until 1943. He then served as consultant to Stu Berger Oldsmobile and Berger Imports until 1982.

Philip Lustine

WASHINGTON.—Philip Lustine, 87, a pioneer auto dealer here, died Dec. 17. He had been in the auto sales business since opening a Chevrolet-Oldsmobile dealership here in 1923. That business grew into one of the area's largest dealership networks, including Nissan, Toyota, and Dodge franchises in addition to his Chevrolet and Oldsmobile outlets. His dealerships are now managed by his son, Burton.

Tinsley Azariah Galyean

CHARLESTON, W.Va.—Tinsley Azariah Galyean, 81, owner of Tag Galyean Chevrolet, Inc., here, died Dec. 12. Mr. Galyean had held Dodge, Chevrolet, Mercedes-Benz, Volvo and Toyota franchises. He served 12 years as an NADA director.

DOMESTIC SALES

	Dec. 1-10, 1985	Dec. 1-10, 1984
Renault Alliance-Encore	1,450†	2,800†
AMC	250†	400†
AMERICAN MOTORS	1,700†	3,200†
Chrysler	5,882	6,973
Plymouth	6,194	6,736
Dodge	7,580	8,478
CHRYSLER CORP.	19,656	22,187
Ford	26,415	33,584
Mercury	8,978	11,741
Lincoln	4,653	3,576
FORD MOTOR CO.	40,046	48,901
Buick	17,331	20,043
Cadillac	7,144	8,312
Chevrolet	35,401	34,310
Oldsmobile	19,317	27,295
Pontiac	15,880	15,670
GENERAL MOTORS	95,073	105,820
VOLKSWAGEN	1,132	706
HONDA	2,213	3,656
NISSAN	1,458	0
U.S. INDUSTRY TOTAL	161,278	184,470

†—Estimate

Service training centers built by Toyota in China

NAGOYA, Japan.—Toyota Motor Corp. has completed two service training centers in China to train its staff there to better handle customer services.

The centers are located at the top of Toyota's service stations in Beijing and Guangzhou. Toyota has 10 service stations in China, offering repair and other maintenace services for about 10,000 units.

In the Nick of time

After a robbery at Operation Santa Claus, Chrysler California presented toys to the Orange County Social Services Agency at the Albert Sitton Home in Orange. Chrysler California is a Chrysler Corp. regional marketing program. Operation Santa Claus is the agency's annual toy collection drive for children in foster homes. With Santa Claus and the children are, from left: Bonnie McInerny, Operation Santa Claus coordinator, and Chrysler California executives Ray Dreyfus and Mike Kane.

Governments tell price of enticing Toyota to build

LEXINGTON, Ky.—Kentucky will provide $125 million over the next two years to bring Toyota Motor Corp.'s $800-million assembly facility to the state.

The money, to be raised through industrial bonds, is to spent as follows: $10 million for land acquisition, $25 million for site preparation, $10 million for a training facility, $33 million for employe training and $47 million for highway construction. Kentucky is expected to pay $12 million to $13 million yearly to service the bonds.

Gov. Martha Layne Collins said the state expects to gain almost $500 million in taxes over 20 years as well as employment for 3,000 workers at the plant and many more in related industries.

The facility is to be on line by 1988 and produce 200,000 cars yearly at full capacity.

Meanwhile, the Ontario Government committed itself to $35 million in interest-free loans and another $15 million in training programs to entice Toyota to build in the province. (The figures are in Canadian dollars.) The company announced earlier this month it will build a $400 million car assembly facility in Cambridge, in the southern part of the province.

The loan is for 14 years, with payments on principal deferred until the eighth year. If Toyota meets production targets, the loan will be interest free. The training program will last five years.

The plant is expected to employ 1,000 persons building 50,000 cars annually at full production. It is to begin production in 1988.

Preliminary total is 8,182,084

Year's auto output best since '79

By Kathy Boyer
Detroit Reporter

Estimated production of 8,182,084 cars in 1985 was the highest since 1979 when 8,418,369 cars were assembled. Auto plants ended production for the year last Friday (Dec. 20).

The estimated 1985 build was 5.20 percent more than the 7,777,721 completed last year. (The preliminary total for 1984 was 7,801,140.)

Contributing 57,549 and 43,950 units, respectively, to this year's gain were the newcomers—New United Motor Mfg. Co. (NUMMI) and Nissan Motor Mfg. Co., U.S.A. NUMMI began to report significant production early this year, and Nissan began car production in April.

Showing production gains this year (estimated totals) over 1984 are: Volkswagen, 96,961, up 29.65 percent from 74,785; General Motors, 4,826,592, up 10.50 percent from 4,368,030; Honda of America Mfg. Co., 144,368, up 4.18 percent from 138,578, and Chrysler Corp., 1,268,282, up 1.28 percent from 1,252,216.

Preliminary figures indicate calendar-year production declines from 1984 for: American Motors, 111,257, down 42.11 percent from 192,196, and Ford Motor Co., 1,633,125, down 8.01 percent from 1,775,315.

With no Saturday overtime scheduled because of the holidays, last week's targeted output of 164,310 units fell 10.12 percent from the previous week's 182,811 and dipped 4.09 percent from the year-ago week's 171,313.

Last week's estimated production was shared as follows: GM, 57.01 percent; Ford, 19.70 percent; Chrysler, 15.79 percent; Honda, 2.04 percent; AMC, 1.67 percent; Volkswagen, 1.43 percent; Nissan, 1.20 percent, and NUMMI, 1.16 percent.

GM's Wentzville plant was closed last week (Dec. 16) for year-end changes. The plant produces the Buick Electra and Oldsmobile Ninety-Eight.

GM's Fiero plant in Pontiac will be closed until Jan. 20 to prepare for the new Fiero GT and also for inventory adjustment.

GM's Bowling Green plant will be down until Feb. 3 to prepare for production of the new Corvette convertible.

Auto production will resume Jan. 2, 1986.

Week to fight drunk driving opened by Reagan, Dole

WASHINGTON.—President Reagan and Transportation Secretary Elizabeth H. Dole opened observance of National Drunk and Drugged Driving Awareness Week last week.

James Adduci, former MVMA president and now chairman of the National Commission on Drunk Driving, presented a progress report to Dole.

The report noted that when the President signed the Uniform Minimum Drinking Age Act in July, 1984, only 23 states had such a law. Now, 37 states do.

The report said that while new laws and "creative participation" of concerned citizens and responsible corporations all help, innovative programs and changing social attitude—a goal of the National Commission—are needed to make drunk and drugged driving "socially unacceptable."

Last year, more than 44,000 Americans were killed in car crashes, and at least half of those crash deaths were alcohol-related. The report noted: "Programs to discourage drunk driving are yielding tangible results. Deaths caused by drunk drivers have dropped 24 percent between 1980 and 1984."

NHTSA contributes a fact sheet on drunk driving. It includes data on the high risk for and from male drivers, 24 or younger, for whom such crashes are the leading cause of death. They are 3.5 times as likely to be killed in alcohol-related crashes as members of other groups. About 8,000 such drivers were killed in 1984 and an additional 240,000 were injured.

NHTSA has produced a booklet called Idea Sampler, telling citizens how to conduct an educational program and encourage others to do so.

Dole paid tribute to Mothers Against Drunk Driving (MADD) for its efforts.

Ford's Climate Control in Korean joint venture

ANYANG, South Korea.—Mando Machinery Corp. announced that it will sign a joint-venture agreement with the Climate Control Division of Ford Motor Co. to produce aluminum radiators for marketing here and overseas. Each partner will invest $2 million.

Production will begin in early 1987 in a plant to be built in Pyongtaek, south of Seoul. Initial production is targeted at 450,000 units annually, to be increased to 800,000 units a year by 1990.

CANADIAN CAR PRODUCTION

	Week Ended Dec. 21, 1985	Week Ended Dec. 22, 1984	Week Ended Dec. 14, 1985	Dec. Est.	1984 Total	1985 Est.
AMERICAN MOTORS	400	609	409	809	22,992	11,302
FORD MOTOR	11,539	11,061	11,443	34,215	463,296	491,608
GENERAL MOTORS	9,768	7,975	14,656	38,813	565,457	563,523
VOLVO	225	249	225	675	10,438	10,030
Total Cars, Canada	21,932	19,894	26,733	74,512	1,062,183	1,076,463

U.S. TRUCK PRODUCTION☆

	Week Ended Dec. 21, 1985	Week Ended Dec. 22, 1984	Week Ended Dec. 14, 1985	Dec. Est.	1984 Total	1985 Est.
CHEVROLET	22,281	20,518	27,358	75,685	1,008,231	1,106,713
DODGE	4,000	4,694	5,578	15,178	213,115	211,911
FORD	29,089	23,828	30,937	89,463	1,183,293	1,158,812
GMC	7,793	7,646	8,092	23,172	322,584	344,390
INTERNATIONAL	1,500	1,582	1,481	4,469	74,448	71,135
JEEP	5,800	3,985	5,937	17,652	187,086	217,246
NISSAN	20	2,632	2,459	5,387	100,510	102,257
AM GENERAL	50	50	50	150	2,729	2,360
MISCELLANEOUS	2,000	1,000	2,000	6,000	54,360	90,553
Total Trucks, U.S.	72,533	65,935	83,892	237,156	3,146,356	3,305,397

CANADIAN TRUCK PRODUCTION

	Week Ended Dec. 21, 1985	Week Ended Dec. 22, 1984	Week Ended Dec. 14, 1985	Dec. Est.	1984 Total	1985 Est.
CHRYSLER	7,600	7,264	9,340	26,252	364,361	378,983
FORD	3,581	2,563	3,557	10,762	154,977	157,608
GENERAL MOTORS	5,760	5,885	6,005	17,882	268,398	271,032
INTERNATIONAL	175	229	204	582	8,047	9,826
Total Trucks, Canada	17,116	15,941	19,106	55,478	815,783	817,449
N. American Trucks	89,649	81,876	102,998	292,634	3,962,139	4,122,846

—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

Truck production for 1985 was best since 1978

With plants ending production for the year last Friday (Dec. 20), estimated domestic truck output for 1985 was the best in seven years.

Truck makers pegged a build of 3,305,397 trucks this year, the best output since 1978 when 3,676,747 trucks were completed.

Preliminary figures indicate the year's production was 5.05 percent more than the 3,146,356 built in 1984.

With no Saturday overtime scheduled before the two-week holiday break, last week's slated truck output of 72,533 dipped 13.54 percent from the previous week's 83,892 but was 10.01 percent more than the year-ago week's 65,935.

Nissan Motor Mfg. Co. U.S.A.'s plant in Smyrna, Tenn., was down last week (Dec. 16) to make facility changes for a new truck model.

Production at truck assembly plants will resume Jan. 2.

Truck makers in Canada set output record

Canadian truck production in 1985 was the highest in history, according to manufacturers' estimates. The projection of 817,449 was 0.20 percent above last year's 815,783. Production for the year ended last Friday (Dec. 20).

Last week's estimate of 17,116 was down 10.24 percent from the previous week's 19,106 but was 7.37 percent more than the year-ago week's 15,941.

Canadian auto makers' estimated 1985 calendar-year total of 1,076,463 was the highest output since 1978 when 1,131,050 cars were completed.

The preliminary 1985 figure was 1.34 percent more than the 1,062,183 assembled in 1984.

U.S. CAR PRODUCTION

	Week Ended Dec. 21, 1985	Week Ended Dec. 22, 1984	Week Ended Dec. 14, 1985	Dec. Est.	1984 Total	1985 Est.
AMERICAN MOTORS	2,750	5,024	2,882	5,632	192,196	111,257
Renault Total	2,750	5,024	2,882	5,632	192,196	111,257
Alliance	2,000	3,102	2,336	4,336	110,173	74,060
Encore	750	1,922	546	1,296	82,023	37,197
CHRYSLER CORP.	25,950	26,600	28,465	88,090	1,252,216	1,268,282
Plymouth Total	8,250	7,655	9,417	26,983	380,652	369,671
Horizon	3,300	2,750	3,828	10,926	159,247	142,813
Reliant	3,500	3,313	4,030	11,374	174,793	162,711
Caravelle	1,200	1,238	1,299	3,806	25,348	48,938
Gran Fury	250	354	260	877	21,264	15,209
Chrysler Total	8,900	9,198	9,170	29,952	403,699	416,123
LeBaron	3,000	2,601	3,004	9,115	116,459	97,187
LeBaron GTS	0	1,342	0	2,615	10,589	95,260
Laser	1,000	1,190	1,110	3,251	70,066	52,234
New Yorker/E-Class	1,300	1,500	1,335	4,277	89,783	64,500
Fifth Avenue	3,600	2,565	3,721	10,694	116,802	106,942
Dodge Total	8,800	9,747	9,878	31,155	467,865	482,488
Omni	3,000	2,840	3,498	9,886	146,350	136,873
Aries	3,000	2,785	3,107	9,617	144,448	135,630
Daytona	1,000	997	1,159	3,380	52,974	47,808
Dodge 600	1,400	1,570	1,606	4,750	74,704	66,206
Lancer	0	900	0	1,866	8,289	65,180
Diplomat	400	655	508	1,656	41,100	30,791
FORD MOTOR	32,368	38,437	32,225	100,580	1,775,315	1,633,125
Ford Division	22,185	23,829	21,602	67,255	1,145,116	1,095,853
Escort	7,677	6,526	7,641	24,130	341,757	344,663
Mustang	4,141	3,400	3,830	12,473	140,338	185,192
LTD	0	4,708	0	0	225,933	184,449
Taurus	2,182	0	1,999	6,306	0	12,075
Thunderbird	3,884	2,773	3,802	10,829	146,186	170,492
Crown Victoria	0	2,183	0	0	83,081	7,122
EXP	0	591	0	0	42,501	3,863
Tempo	4,301	3,648	4,330	13,517	165,320	187,997
L-M Division	10,183	14,608	10,623	33,325	630,199	537,272
Mercury Total	6,493	10,986	6,933	22,295	461,495	374,191
Lynx	1,689	2,160	1,713	5,468	69,778	75,018
Capri	449	438	760	2,034	18,254	20,076
Marquis	0	3,162	0	0	121,049	84,073
Sable	1,338	0	1,041	3,079	0	5,682
Cougar	1,946	2,308	2,303	8,192	116,536	129,740
Grand Marquis	0	1,442	0	0	89,312	7,915
Topaz	1,071	1,476	1,116	3,522	46,566	51,687
Lincoln Total	3,690	3,622	3,690	11,030	168,704	163,081
Continental	512	655	510	1,531	36,105	25,265
Lincoln	2,769	2,565	2,768	8,274	106,998	119,786
Mark VI/VII	409	402	412	1,225	25,601	18,030
GENERAL MOTORS	93,668	96,098	109,568	313,433	4,368,030	4,826,592
Buick Total	16,161	18,780	21,818	59,531	987,833	1,001,105
Skylark	1,194	2,717	1,330	2,524	110,649	43,477
Skyhawk	2,188	1,943	2,621	8,569	127,327	111,127
Somerset	1,467	1,588	1,635	4,643	28,352	117,295
Century	6,298	3,958	7,395	21,063	227,973	299,199
Regal	2,777	2,269	2,934	8,803	174,120	136,412
LeSabre/Electra (rwd)	246	3,227	239	715	178,500	96,595
LeSabre (fwd)	1,500	0	1,300	4,006	0	10,196
Riviera	491	1,168	365	1,199	53,093	48,123
Electra (fwd)	0	1,910	3,999	8,009	81,819	138,681
Cadillac Total	5,158	7,587	7,206	19,183	328,418	326,548
Cimarron	520	143	606	1,774	14,362	27,318
Seville	369	761	334	932	38,683	29,438
Eldorado	531	1,520	394	1,291	75,957	54,829
Cadillac (rwd)	113	1,701	1,616	2,855	117,150	40,142
DeVille (fwd)	3,625	3,462	4,256	12,331	82,266	174,821
Chevrolet Total	34,287	35,816	36,215	107,082	1,480,485	1,625,844
Chevette	2,744	3,076	2,821	8,802	174,377	152,316
Cavalier	9,279	9,567	11,446	31,850	400,254	491,183
Celebrity	4,905	4,643	5,902	16,629	280,653	264,019
Camaro	4,985	5,379	4,739	14,603	230,082	214,501
Citation	0	1,771	0	0	104,045	28,697
Malibu/El Camino	0	543	0	0	23,419	0
Monte Carlo	2,855	2,579	2,874	8,554	97,922	137,706
Chevrolet	8,519	7,244	7,437	23,654	134,072	289,915
Corvette	1,000	1,014	996	2,990	35,661	46,308
Oldsmobile Total	23,241	23,975	26,321	75,871	1,065,528	1,164,868
Omega	0	0	0	0	29,288	0
Firenza	1,205	1,487	1,293	4,005	67,986	62,610
Cutlass Supreme	4,704	3,858	4,634	13,844	247,458	233,090
Cutlass Ciera	7,122	7,205	8,733	24,880	251,506	355,488
88/98 (rwd)	1,146	4,703	618	2,537	282,378	168,680
88 (fwd)	3,644	0	3,876	10,658	0	23,609
Olds 98	1,844	3,064	3,531	8,899	109,321	143,321
Calais	3,222	2,787	3,378	10,187	33,195	149,413
Toronado	354	871	258	861	44,396	29,197
Pontiac Total	14,821	9,940	18,008	51,766	505,766	708,227
Acadian**	0	271	273	650	14,396	18,326
2000 Sunbird	1,881	2,328	2,983	7,853	136,582	140,265
1000	550	488	853	2,451	25,063	35,332
Firebird	2,387	2,045	2,555	7,522	108,396	113,842
Phoenix	0	0	0	0	14,195	0
6000	1,649	0	2,194	5,965	106	58,115
Grand Prix/Bonneville	0	0	0	0	20,003	0
Parisienne	2,331	1,307	2,663	7,641	48,356	90,597
Fiero	2,203	2,029	2,415	7,025	114,002	108,918
Grand Am	3,820	1,472	4,072	12,639	24,667	142,832
HONDA	3,350	3,151	3,379	9,967	138,578	144,368
NISSAN	1,974	0	2,015	6,246	0	43,950
NUMMI*	1,900	0	1,900	5,700	20	57,549
VOLKSWAGEN	2,350	2,003	2,377	6,541	74,785	96,961
Total Cars, U.S.	164,310	171,313	182,811	536,189	7,801,140	8,182,084
Total Cars, Canada	21,932	19,894	26,733	74,512	1,062,183	1,076,463
N. American Cars	186,242	191,207	209,544	610,701	8,863,323	9,258,547
N. American Trucks	89,649	81,876	102,998	292,634	3,962,139	4,122,846
North American Cars and Trucks	275,891	273,083	312,542	903,335	12,825,462	13,381,393

*—Revised estimate.
**—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

Last week's scheduled output of 21,932 dropped 17.96 percent from the previous week's 26,733 but 10.24 percent more than the year-ago week's 19,894.

General Motors' St. Therese plant was down last week (Dec. 16) for inventory adjustment.

Production at St. Therese is scheduled to resume Jan. 2. All other car and truck plants also will return that day.